



Self-Certification for Trusts: Explanatory Notes

Introduction

1. These Explanatory Notes are no substitute for reading and understanding the Self-Certification requirements of the US Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (CRS). Please refer to the Annex in the Glossary of terms for further information about these tax regulations.
2. Brooks Macdonald Asset Management is a Financial Institution (FI) and by requesting this form, we will operate under the regulations applicable to the UK. The Self-Certification of the Account Holder, however, should reflect the regulations in operation in their own tax jurisdiction.

Background

3. Globalisation of the financial sector now makes it much easier for individuals and Entities to hold money and assets outside of their jurisdiction of tax residence. While the great majority comply with their tax obligations there are some who will use the availability of offshore financial structures to evade tax.
4. Automatic Exchange of Financial Account Information is about improving transparency in the fight against tax evasion and in so doing protecting the integrity of the tax systems of the Participating Jurisdictions. The UK is a party to a number of international agreements designed to provide tax administrations with details of financial accounts and assets owned by individuals and Entities that are resident for tax purposes in their jurisdiction, but which are held by Financial Institutions in the other territory.
5. For this to work the UK Government has introduced legislation that imposes obligations on the UK financial sector to review and collect details of accounts held by persons that are tax resident elsewhere and report this to HMRC for onward transmission under the exchange of information articles in the various treaties and conventions to which the UK is party. In return, those jurisdictions supply HMRC with similar information on UK tax resident individuals and Entities holding accounts with their financial institutions.
6. The UK now has legislation in place for automatic exchange of financial account information under four different regimes:
 - i) The United States Foreign Account Tax Compliance Act - FATCA
 - ii) The Crown Dependencies and Gibraltar Regulations - CDOT
 - iii) The Common Reporting Standard developed by the OECD - CRS
 - iv) The EU Directive on Administrative Cooperation in Tax Matters - DAC
7. The UK is also party to a number of non-reciprocal automatic exchange of information agreements under which the UK receives information but is not obliged to report to the other jurisdictions.
8. Going forward it is expected that, with the exception of the FATCA agreement, all of the UK's obligations in this area will be under the CRS or the DAC. For ease of administration we will only refer to FATCA and CRS - CRS encompassing the DAC and CDOT - on the Self-Certification form.
9. Please refer to the Glossary for a definition of any capitalised terms in the form and in these instructions.

Self-Certification Form

10. The Self-Certification Form applies to all types of Trusts and, therefore, can also apply to certain charities and pension arrangements. Please contact your tax adviser to help complete this form.

Purpose of the Self-Certification Form

11. The Self-Certification is required to establish the Trust's tax residence along with additional information under Automatic Exchange of Financial Account Information and determine whether Brooks Macdonald Asset Management is obliged to submit certain account information to UK tax authorities who may pass it on to other tax authorities. Information required includes:
 - a. The Trust's Tax Identification Number or an Equivalent Tax Reference Number
 - b. Confirmation of whether the Entity is US tax resident.
 - c. Details of Controlling Persons.
12. If there is a relevant Change of Circumstance to indicate that the Trust's status has changed Brooks Macdonald Asset Management may obtain a new Self-Certification to establish whether the change affects the Trust's tax residency for the purposes of the Automatic Exchange of Financial Account Information.

Please note that based on the information you provide we may need to contact you for further clarification.