

COMMON STANDARD FOR REPORTING

The basic principle of the Common Reporting Standard ("CRS") is the provision and transmission of information on financial accounts of non-resident taxpayers for tax administration purposes on a global scale.

The CRS is a single platform on which information will be exchanged automatically for tax purposes on a global scale to prevent tax evasion. The Industrial and Commercial Bank of China, Prague Branch ("the Branch") is obliged to comply with the CRS requirements given by the Czech legislation.

The basic principle of the CRS is to identify and send information on financial accounts of non-resident taxpayers for tax administration purposes on a global scale. The subject of the reporting will be data on natural and legal persons resident in a country other than the Czech Republic (generally referred to as non-resident taxpayers) who are owners of financial accounts in the Czech Republic. Information on these financial accounts will be exchanged between the tax administrations of each country through local financial institutions.

Primarily, the CRS concerns deposit accounts, investment products and insurance contracts with capital value.

CRS is regulated in the Czech legislation by Act No.164/2013 Coll., on International Cooperation in Tax Administration. Act No. 164/2013 Coll. regulates the procedures for the automatic exchange of information obtained from financial institutions and at the same time unifies the procedures for the automatic exchange of information for tax purposes according to the global standard with the procedures required by the Agreement with the United States of America on Improving International Tax Compliance and with respect to the United States legislation on information and reporting commonly known as the Foreign Account Tax Compliance Act ("FATCA"), which was published in the Collection of International Treaties under No. 72/2014 Coll.

Dear client, if you are tax resident in a country other than your permanent address, we may require you to provide additional documentation in addition to the standard documentation to confirm your tax residence (e.g. a certificate of tax domicile).

Based on the customer due diligence procedures, the Branch is obliged to send data on the so-called "reportable accounts" to the Czech tax authorities on an annual basis.

- Reportable account means a financial account held by one or more Reportable Persons (or a passive non-financial entity with one or more beneficial owners who are Reportable Persons).
- Reportable person means a natural person or entity/legal person who is resident in a Reporting Jurisdiction under the tax laws of that jurisdiction, except:
 - Entities/legal persons regularly traded on securities markets and their related persons,
 - Government entity,
 - An international organization,
 - Central banks and financial institutions.
- Reportable income - primarily various types of investment income including interest, dividends and similar types of income, as well as gross proceeds from the sale of property that may give rise to interest or dividends.

Reportable information:

- Identification of the persons to be reported who are account holders or beneficial owners of entities/legal persons: Name, address, country of tax residence, tax number / TIN, date of birth, place of birth,
- Identification of the person of the entity/legal person to be notified: Name, registered office address, country of tax residence, tax number / TIN,
- Account number of the reportable account,
- Name and identification number of the financial institution,
- Balance or value of account at year-end/account closure,
- Gross amount of interest paid or credited to the account.