

Information on CRS and FATCA rules

CRS - International tax data exchange

With the promulgation of Act CXC of 2015, Hungary became a party to the “Multilateral Agreement between Competent Authorities on the Automatic Exchange of Financial Account Information” and implemented Directive 2014/107/EU (hereinafter collectively referred to as the “CRS Regulation”), the main aim of which is to promote international tax compliance through mutual tax assistance based on the automatic exchange of information. In this context, domestic financial institutions are required to carry out tax due diligence on taxpayers of countries that have committed to apply the CRS (the "Relevant States") and report on them to the tax authorities of their countries of tax residence through the National Tax and Customs Administration (the "NAV").

The list of Relevant States is set out in Annex 1 to Act CXC of 2015 on the Promulgation of the Multilateral Agreement between the Competent Authorities on the Automatic Exchange of Financial Account Information. The list of the Relevant Countries may be extended each year to include new entrants.

In order to fulfil its reporting obligations, KELER Ltd. conducts client due diligence on an annual basis for both existing clients (with an account as of 31 December 2015) and new clients (with an account from 1 January 2016), based on the client's declaration and the available information.

If, during the due diligence process, KELER Ltd. determines that the account holder is reportable under the CRS regulation, it will provide NAV with the statutory data no later than 30 June of the year following the tax year and notify the account holder of such fact in writing within 30 days.

FATCA (Foreign Account Tax Compliance Act)

On 4 February 2014, Hungary and the United States of America (the “USA”) signed an agreement for the automatic exchange of data between the tax authorities of the two countries and the performance of the tasks set out in the FATCA provisions.

FATCA aims to ensure that American taxpayers pay tax on their financial assets held outside the USA as well.

According to Act XIX of 2014, from 1 July 2014, all Hungarian financial institutions must subject their clients to due diligence in terms of FATCA and report the clients affected to NAV.

In order to comply with its reporting obligation, KELER Ltd. shall conduct client due diligence to determine whether the account holder qualifies as one or more Specified US Person(s) or non-US Entity/Entities in which one or more Controlling Person(s) is/are Specified US Person(s).

If, during the due diligence process, KELER Ltd. determines that the account holder is reportable as described above, it will provide NAV with the statutory data no later than 30 June following the tax year and notify the account holder of such fact in writing within 30 days.

The FATCA/CRS declaration is available [here](#).

If you have any questions about completing the Declaration, our Client Service team will be happy to answer them.

Reporting obligation concerning the Reportable Accounts (CRS and FATCA)

Regarding each Reportable Account, the reportable data content shall cover the following:

- a) as the Account Holder of a particular account, the following data concerning each Reportable Person
 1. name,
 2. address (country code, country, postal code, street suffix name and type, house number),
 3. place (country code, country, city) and date of birth,
 4. country code of the jurisdiction of residence,
 5. type and name of the controlling person,
- b) client's IBAN account number,
- c) identification code,
- d) client's name,
- e) client's tax number, EU VAT number, IRS tax identification number (an identification number issued by American Authorities),
- f) address of the client's registered office (country code, country, postal code, street suffix name and type, house number),
- g) account status: active or closed,
- h) account type: custodial account, deposit account or other account,
- i) account number type: IBAN, ISIN,
- j) CRS residence: Active Non-Financial Entity, Passive Non-Financial Entity,
- k) ISIN: in case of securities,
- l) currency,
- m) account balance or value: the account balance or value, in currency, as of the end of the relevant calendar year or other appropriate reporting period, or if the account was closed during such year, the closure of the account (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value),
- n) the amount of interests related to the account, expressed in currency,
- o) the amount paid or credited to the account, expressed in currency,
- p) the type of the Account Holder subject to FATCA data reporting: a Passive Non-Financial Foreign Entity, a Specific U.S. Person, a Private person
 - type and name of the controlling person,
- q) date: the reference date of the report.