**Information from CYRRUS FX, a.s. (hereinafter referred to as the “Company”) regarding CRS and FATCA**

An amendment to Act No. 164/2013 Sb. on international cooperation in tax administration (hereinafter referred to as the “Act”) entered into effect on 6.4.2016. This Act follows on from international obligations to which the Czech Republic has signed up and which aim to eliminate tax evasion on a global scale.

The means of achieving this aim is the imposition of obligations on financial institutions (banks, OCP, payment institutions, etc.) in individual Member States to identify the tax residencies of their clients and to regularly provide information about foreign tax residents to the authorised authorities every year. In the Czech Republic, this body is Specializovaný finanční úřad (Specialised Tax Authority, hereinafter referred to as the “tax administrator”). The national authorities from Member States then automatically exchange this information among each other. This method of exchanging tax information is termed the common reporting standard (hereinafter referred to as ”CRS”). Client payment accounts and the funds recorded in them are subject to the regime of CRS at the Company.

**Duties according to CRS**

* To ascertain information about the tax residency of the client, meaning data about the state of tax residency (i.e. where the client taxes its worldwide incomes), and together with that the taxpayer identification number (TIN) allocated to the client in the state of its tax residency. The Company obtains that information from the solemn declaration which you provide, generally as part of contractual documentation, or under certain conditions in a form at the request of the Company. If a discrepancy is discovered between the address of your permanent residence and the state of tax residency which you have specified, the Company is obliged by law to clarify this discrepancy, in that you will be required to provide an additional explanation. For contracts existing prior to 1.1.2016, the law imposes the obligation to check such contracts for the existence of certain indicia of foreign tax residency, as laid down by the Act. If such indicia are found, the Company will contact such a client with the aim of checking its tax residency (communicating its TIN, domicile, etc.).
* To report to the tax administrator once a year (invariably by 30 June) the owners of payment accounts for which the Company had on record in the calendar year prior persons with a tax residency in a state involved in CRS. The identification data of the client (including TIN) and the balance in the account must be reported. The tax administrator transfers this information to the tax administrators in the relevant states and receives from them similar information about Czech tax residents that use financial products in the state in question.

**Duties according to FATCA**

The Company also points out that the United States of America is not involved in the CRS regime. If, therefore, the Company maintains an investment contract to which an American person is a party (an American tax resident or an American citizen), the legal regulation laid down in the Agreement between the United States of America and the Czech Republic to Improve
International Tax Compliance and with Respect to the United States Information and
Reporting Provisions Commonly Known as the Foreign Account Tax Compliance Act (hereinafter referred to as “FATCA”) is applied, including the verification procedures embedded in the FATCA agreement. The method of reporting contractual relationships that fall within the FATCA regime is, however, similar to that of the CRS regime (see above).

**Informing clients**

Clients that are in any way affected by the legal regulation of CRS or FATCA are informed, not later than before the first report is made to the tax administrator, of the fact that data about them will be collected and transferred to the extent laid down in the Act so that these clients are able to exercise their right to personal data protection, including proof of actual tax residency.

**More detailed information**

You will find more detailed information about CRS and FATCA at the Finanční správa (Financial Administration) and Ministerstvo financí ČR (Ministry of Finance of the Czech Republic) websites:

<http://www.financnisprava.cz/cs/mezinarodni-spoluprace/mezinarodni-zdanovani-prime-dane/globalni-standard-OECD/globalni-standard-OECD-CRS-DAC2-7438>

<http://www.mfcr.cz/cs/legislativa/mezinarodni-spoluprace-v-oblasti-dani/zakon-o-mezinarodni-spolupraci>

<http://www.mfcr.cz/cs/legislativa/mezinarodni-spoluprace-v-oblasti-dani/dohoda-fatca/zakladni-informace>

The Company states that the above information should only be used as a basic overview of the legal obligations imposed on the Company by the Act. According to the new legislation, the Company has the duty to inform clients about this legal regulation, which is the purpose of this document.