



Foreign Account Tax Compliance Act Glossary of terms

Individuals

September 2022

Glossary of terms

Acceptable Explanations for no Certificate of Loss of Nationality

If you were born in the US and don't have a Certificate of Loss of Nationality, acceptable explanations are as follows (please include your relevant explanation in your response):

- Born to a parent serving as a foreign diplomat and listed on the Diplomatic List published by the US Department of State at the time of birth.
- Born on diplomatic or consular premises.
- Born on a vessel or aircraft owned or operated by a non-US state and used for governmental non-commercial service.

Account Holder – Entity

A legal arrangement (such as a trust, company, partnership, estate or other type of formal or informal group) that holds BNZ products or accounts.

Account Holder – Individual

A natural person who holds BNZ products or accounts. Individual Account Holders are the 'personal' customers of BNZ.

This includes both Joint accounts and accounts held by Sole Traders, which are treated as one of an Individual's accounts and not as separate legal entities.

Even if you are not a BNZ Individual Account Holder, if we think you may be a Beneficial Owner/Controlling Person of an Entity Account Holder, we may need you to complete one of the Controlling Person Tax Residency Self-Certification forms to confirm whether you are a US Person.

BNZ

Bank of New Zealand.

Certificate of Loss of Nationality

The Certificate of Loss of Nationality (CLN) is a form issued by the Bureau of Consular Affairs of the United States Department of State documenting the renunciation or relinquishment of United States citizenship.

If you were born in the US and you believe you do not have a US tax status, you need to provide us with this certificate or an Acceptable Explanation for no Certificate of Loss of Nationality (refer to the term described separately in this glossary).

Controlling Person

'Controlling Person' – means an Individual who:

- Has a controlling ownership interest (generally 25% or greater); or
- Exercises control over the entity through other means; or
- Holds the position of senior managing official of the entity.

For a company:

- Shareholders;
- Senior Management such as CEO; and
- Directors with effective control.

For a trust:

- Trustees;
- Settlor;
- Protector (if any); and
- Certain beneficiaries or class of beneficiaries.

For a partnership or limited partnership:

- General partners; and
- Limited partners.

For clubs and societies:

- President;
- Secretary;
- Treasurer; and
- Members of the current committee or management team who have effective control.

Evidence (Documentary Evidence)

This is acceptable evidence under Foreign Account Tax Compliance Act (FATCA) – also referred to as 'Documentary Evidence' – to establish an Individual's non-US tax status.

If you are confirming a Non-US tax status, you need to provide us Evidence that demonstrates your non-US tax status.

Acceptable Evidence for Individual Account Holders includes any of the following:

- NZ passport;
- Proof of current NZ address;
- NZ citizenship certificate;
- NZ residency visa;
- NZ work visa; or
- As a foreign tax resident, the same forms of evidence may apply for the country(s) of tax residency you declare.

Note: If you're no longer a US citizen or US resident for tax purposes and therefore not a US person, you'll need to provide documentary evidence of support, such as a copy of your certificate of loss of nationality. Please refer to the defined terms: Acceptable Explanations for no Certificate of Loss of Nationality and Certificate of Loss of Nationality.

FATCA Status

The classification of an Account Holder under FATCA. For Individual Account Holders this depends on whether the Individual is a US Person which is certified by completing an Individual tax residency self-certification or declaring US tax status via the BNZ app; go to **Settings > Your details** and update your tax residency.

Individual Tax Residency Self-Certification for Individuals

Individual Account Holders are required to complete an Individual tax residency self-certification to certify their US tax status.

Note, US tax declarations can be provided via the BNZ app; go to **Settings > Your Details** and update your tax residency. You may also return a completed US IRS tax form (such as a W-9 or W-8BEN form) instead of the supplied forms if you prefer.

Foreign

Not in the US.

Foreign Account Tax Compliance Act (FATCA)

The US regime that requires Foreign (or non-US) Financial Institutions, such as BNZ, to identify and report accounts that are held or controlled by US Persons. The details of the regime are set out in the US Treasury Regulations.

FATCA has been implemented throughout the world via inter-governmental agreements (IGAs). In 2014, the New Zealand and US Governments entered into an IGA that has been incorporated into NZ law by amendments to the Income Tax Act 2007 and the Tax Administration Act 1994.

IGA

The agreement between the US and New Zealand Governments in relation to FATCA formally called the 'Agreement between the Government of New Zealand and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA'. It contains the full definitions of many of the terms used in this document.

A copy can be obtained from Inland Revenue's website www.ird.govt.nz/international-tax/exchange-of-information/fatca/important-documents

Individual

A natural person.

Inland Revenue

New Zealand's tax authority and FATCA regulator in New Zealand.

Internal Revenue Service (IRS)

The US tax department and international FATCA regulator.

Reportable account details

The account details of Individual Account Holders are reportable where the Individual is a US citizen or US resident for tax purposes, or we have been unable to resolve the FATCA status.

We are required to provide the following information to New Zealand Inland Revenue annually for every reportable Individual Account Holder that exceeds the relevant minimum account thresholds:

- Name;
- Address;
- US Taxpayer Identification Number;
- Total balance or value of accounts as at 31 March or the most recent available balance if closed during the year; and
- Total gross interest and other relevant income generated by your accounts during the year ending 31 March.
- If investment accounts are held with us where BNZ acts as custodian, we will need to report dividends, gross proceeds or other income generated by investments during the year ending 31 March.
- If a Term PIE investment account is held with us, we will need to report payments made with respect to the account during the year ending 31 March.

Taxpayer Identification Number (TIN)

The US Federal Taxpayer Identification Number. As an individual, this is generally your Social Security Number (SSN) but may be an Individual Taxpayer Identification Number (ITIN) for certain non-resident and resident aliens, their spouses and dependents.

Thresholds for reporting

Individuals' depository accounts will be reported when the aggregated balance exceeds USD\$50,000, or the equivalent in NZD. For Term PIE or custodial accounts, there is no minimum reporting threshold.

US/USA

United States of America. This includes the States thereof (including the District of Columbia), but does not include the US Territories (defined separately).

US Territory

A US Territory means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the US Virgin Islands.

Us/We/Our

BNZ.

US tax status

The status that indicates whether or not an Individual Account Holder is considered a US Person and is therefore reportable to New Zealand Inland Revenue (i.e. the individual is a US citizen or a US resident for tax purposes).

US Person

For individuals, you are a US Person if you are:

- A US citizen; or
- A US resident.

An entity is a US Person if it is:

- Organised or established in the US or under US law;
- A trust that is subject to US law in terms of its administration, and is controlled by one or more US Persons or an estate of a US Person.

You, Your

The addressee of the accompanying letter and the Individual Account Holder who is certifying their individual US tax status, or a legal power of attorney acting on their behalf.

Note: This glossary is intended as a guide only to key FATCA terms. It does not replace definitions in the IGA or US Treasury Regulations and is not to be relied on as advice. If you require assistance to determine your entity's FATCA status, please consult with a professional tax adviser.