

FORM LETTER

Geneva, June 28th, 2018
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INFORMATION MAILING ON THE INTERNATIONAL AUTOMATIC EXCHANGE OF INFORMATION IN TAX MATTERS (AEOI)

Dear Client,

As you no doubt already know, the Federal Act on the International Automatic Exchange of Information in Tax Matters (AEOI Act)¹ is in force since January 1st, 2017. The AEOI Act is the legal basis for implementing the AEOI Standard in Switzerland.

SELVI & CIE SA is a reporting Swiss financial institution in accordance with the provisions of the AEOI.

This mailing is intended to reiterate the information you have possibly already received as to the existence and content of the AEOI, as required by its Article 14.

1. What is the AEOI?

AEOI requires reporting Swiss financial institutions to identify reportable accounts and report them to the Federal Tax Administration (FTA). Reportable accounts are accounts held by natural persons as well as accounts held by entities, this, for the first countries concerned², as from January 1st, 2017 with respect to the collecting of information and January 1st, 2018 for the actual reporting.

If an account is held in a fiduciary capacity by a natural person or an entity that is not a financial institution on behalf of or for the account of a third party, that third party or the beneficial owner is deemed to be the account holder for the purposes of AEOI. In the case of accounts held by entities, the requirement to identify and report may also concern, under certain circumstances, the controlling person(s). For more detailed information on the terms “account holder” or “controlling person” please consult the OECD Common Reporting Standard and the implementing legal provisions.

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¹ The full text of the Federal Act on the International Automatic Exchange of Information can be found at the following address: <https://www.admin.ch/opc/fr/official-compilation/2016/1297.pdf>.

² At the date of writing this letter, the countries concerned by the collection of information as of 01.01.2017 and reporting as of 01.01.2018 are the following: Australia, Canada, Grenada, Guernsey, Isle of Man, Iceland, Japan, Jersey, Norway, South Korea and the 28 European Union member states, including Åland Islands, the Azores, French Guiana, Gibraltar, Guadeloupe, the Canary Islands, Madeira, Martinique, Mayotte, Reunion and Saint Martin.

Only accounts where the holder or controlling person **is a reportable person** are reportable accounts. A reportable person is a natural person or an entity resident for tax purposes in a country with which Switzerland has agreed on an AEOI (partner state(s)).

The list of partner jurisdictions can be found at:

<https://www.sif.admin.ch/sif/en/home/themen/internationale-steuerpolitik/automatischer-informationsaustausch.html> and is kept up to date at all times.

Reporting Swiss financial institutions are required to report information on reportable accounts held by reportable persons annually to the FTA. After receiving this information, the FTA exchanges it with the reportable person's country of residence. Information is only exchanged with partner jurisdictions.

2. What information will be exchanged?

The reportable information includes personal data and information concerning the reportable account.

Personal data includes:

- Name
- Address
- Country of residence for tax purposes
- Tax identification number
- Date of birth of the account holder or of the beneficial owner or the controlling person.

In addition, also reported is:

- Account number
- Total gross amount of dividends, interest and other income
- Total gross proceeds from the sale or redemption of financial assets
- Aggregate balance or value of the account at the end of each calendar year.

Moreover, the name and identification number (where available) of SELVI & CIE SA are also reported.

3. To what purpose will this information be used?

Generally, the information exchanged may only be made available to tax authorities of a partner jurisdiction in which the reportable person is resident and may only be used for tax purposes. In principle, it is prohibited for the receiving partner jurisdiction to forward the received information to another jurisdiction, and it must treat the information as confidential. Generally, the receiving partner jurisdiction may only make the information exchanged available to persons and authorities responsible for handling or supervising taxation in that country.

4. What rights do you have?

You have the following rights under the AEOI Act and the Federal Act on Data Protection (FADP)³:

4.1. Vis-à-vis SELVI & CIE SA

You are entitled to the full extent of legal protection offered by the FADP vis-à-vis SELVI & CIE SA. In particular, you have the right to request what information has been collected about you and will be reported to the FTA.

Upon request, SELVI & CIE SA must provide you with a copy of its report to the FTA. In this regard, it must be noted that the collected and reported information about you may differ from your tax-relevant information.

Moreover, you are also entitled to request that incorrect data in SELVI & CIE SA's systems be corrected.

4.2. Vis-à-vis the FTA

Your only right vis-à-vis the FTA is the right to access information. You are entitled to request that incorrect data resulting from errors in the exchange process be corrected.

If the exchange of information would result in disadvantages for you that are not permissible due to a lack of constitutional guarantees, your rights are set out in Article 25a of the Federal Act on Administrative Procedure⁴ (interest worthy of protection).

You do not have the right to access FTA records. This means that you do not have the right to block the disclosure of personal details to the FTA. In addition, you are not entitled to have the legality of forwarding information outside Switzerland reviewed or to block any illegal forwarding and/or to demand the destruction of data processed without a sufficient legal basis.

5. Practically

Towards the end of 2017 and in conformity with its obligations, SELVI & CIE SA has finalised the review of its clients "natural persons with accounts of more than 1 million" in order to identify reportable accounts.

Accounts thus identified are subject to the exchange of information as explained here above at the end of the month of June 2018.

During the course of 2018, SELVI & CIE SA will proceed to the review of all its clients "natural persons" (in particular clients with accounts of less than 1 million) and "entities" under the scope of AEOI. This means that SELVI & CIE SA will, in particular:

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³ The full text of the Federal Act on Data protection can be found at the following address: <https://www.admin.ch/opc/fr/classified-compilation/19920153/index.html>.

⁴ The full text of the Federal Act on Administrative Procedure can be found at the following address: <https://www.admin.ch/opc/fr/classified-compilation/19680294/index.html>.

- If you are the holder a “natural person” account:
 - Proceed to the identification of your tax residency;
 - In case of the need for clarification of said tax residency, SELVI & CIE SA will provide you with a self-certification form (Self-certification Form – Individual) aimed at confirming your tax residency;
 - Contact you in order to obtain your Tax Identification Number (TIN), if SELVI & CIE SA does not already have it on file.

- If you are the holder of an “entity” account:
 - Provide you with a self-certification form (Self-certification Form – Entity and, where necessary, Self-certification Form – Controlling Person) aiming at establishing the tax residency of the entity, the status of the entity under AEOI as well as its Tax Identification Number (if not already on file) and, where necessary, the tax residency and TIN of controlling persons.

Accounts thus identified as “reportable” in 2018, will be subject to an exchange of information in the course of 2019, according to various agreements between Switzerland and its partner states, and then annually according to new countries entering into exchange of information agreements with Switzerland.

For the accounts already reported in 2018, the exchange will be continued on an annual basis.

If, in your capacity as a contracting partner of SELVI & CIE SA, you are not the account holder for the purposes of AEOI (see above), or if you are an entity for which SELVI & CIE SA is required to identify and report one or more controlling persons, we ask you to forward copies of this mailing to all relevant persons and inform SELVI & CIE SA of such transmission.

SELVI & CIE SA
(No signature required)