

Notification of More Favorable Terms (Certain Alternative Procedures)

Article 7 of the Model 1 IGA provides that the United States shall notify its Partner Jurisdictions of any more favorable terms under Article 4 or Annex I of the IGA afforded to another Partner Jurisdiction. For informational purposes only, the model notification letter sent pursuant to Article 7 of the Model 1 IGA related to the Alternative Procedures for New Accounts Opened Prior to Entry Into Force of the Agreement in paragraph G of section VI of Annex I and Alternative Procedures for New Entity Accounts Opened on or after July 1, 2014, and before January 1, 2015, in paragraph H of section VI of Annex I is attached. The attached letter has been sent to the following jurisdictions:

- Australia
- Barbados
- Belarus
- Belgium
- Brazil
- Canada
- Cayman Islands
- Costa Rica
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Gibraltar
- Guernsey
- Honduras
- Hungary
- Ireland
- Isle of Man
- Italy
- Jamaica
- Jersey
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Mauritius
- Mexico
- Netherlands
- New Zealand
- Norway

- Poland
- Portugal
- Qatar
- Slovenia
- Spain
- South Africa
- Sweden
- United Kingdom

To confirm whether a particular jurisdiction has declined the application of any of the terms in the attached letter, please contact the relevant jurisdiction.

[Date]

[Name]

[Address]

Dear []:

On behalf of the Government of the United States of America, I am writing to provide you with notification pursuant to Article 7 of the Agreement between [the Government of the United States of America and the Government of [FATCA Partner] to Improve International Tax Compliance and to Implement FATCA] (the “Agreement”), done at [city], on [date], which reads as follows:

Article 7

Consistency in the Application of FATCA to Partner Jurisdictions

1. [FATCA Partner] shall be granted the benefit of any more favorable terms under Article 4 or Annex I of this Agreement relating to the application of FATCA to [FATCA Partner] Financial Institutions afforded to another Partner Jurisdiction under a signed bilateral agreement pursuant to which the other Partner Jurisdiction commits to undertake the same obligations as [FATCA Partner] described in Articles 2 and 3 of this Agreement, and subject to the same terms and conditions as described therein and in Articles 5 through 9 of the Agreement.
2. The United States shall notify [FATCA Partner] of any such more favorable terms, and such more favorable terms shall apply automatically under this Agreement as if such terms were specified in this Agreement and effective as of the date of the signing of the agreement incorporating the more favorable terms, unless [FATCA Partner] declines in writing the application thereof.

The Government of the United States of America has signed multiple intergovernmental agreements that include provisions that are set forth in the attachment to this letter (the “Attachment”). The Attachment uses, as an example, the provisions of the Agreement between the Government of the United States of America and the Government of the British Virgin Islands, signed at Washington on June 30, 2014.

[IN CASES WHERE THE IGA HAS ENTERED INTO FORCE] I hereby notify you, on behalf of the Government of the United States of America that, to the extent the Agreement does not contain identical terms to those in the Attachment, pursuant to Article 7 of the Agreement, [FATCA Partner] is granted the benefit of such more favorable terms. If [FATCA Partner] would like to decline the application of any such terms to the Agreement, [FATCA Partner] should do so by notifying me of this in writing. I request that you provide this notification in writing within 90 days if you are declining the application of any such more favorable terms to the Agreement.

[IN CASES WHERE THE IGA HAS NOT YET ENTERED INTO FORCE] Although the Agreement has not yet entered into force, on behalf of the Government of the United States of America, I am notifying you that, to the extent the Agreement with [FATCA Partner] does not contain identical terms to those in the Attachment, pursuant to Article 7 of the Agreement, [FATCA Partner] shall be granted the benefit of such more favorable terms when the Agreement enters into force. If [FATCA Partner] would like to decline the application of any such terms when the Agreement enters into force, [FATCA Partner] may do so by notifying me of this in writing. If you would like to decline the application of any such more favorable terms to the Agreement, I request that you provide this notification in writing within 90 days.

Sincerely,

ATTACHMENT

Based on the BVI IGA, the United States considers the language in italics to be “more favorable terms” in Annex I, except in those cases where the Agreement already includes such language:

1. Paragraph G of Section VI of Annex I:

G. *Alternative Procedures for New Accounts Opened Prior to Entry Into Force of this Agreement.*

1. **Applicability.** *If the British Virgin Islands has provided a written notice to the United States prior to entry into force of this Agreement that, as of July 1, 2014, the British Virgin Islands lacked the legal authority to require Reporting British Virgin Islands Financial Institutions either: (i) to require Account Holders of New Individual Accounts to provide the self-certification specified in section III of this Annex I, or (ii) to perform all the due diligence procedures related to New Entity Accounts specified in section V of this Annex I, then Reporting British Virgin Islands Financial Institutions may apply the alternative procedures described in subparagraph G(2) of this section, as applicable, to such New Accounts, in lieu of the procedures otherwise required under this Annex I. The alternative procedures described in subparagraph G(2) of this section shall be available only for those New Individual Accounts or New Entity Accounts, as applicable, opened prior to the earlier of: (i) the date the British Virgin Islands has the ability to compel Reporting British Virgin Islands Financial Institutions to comply with the due diligence procedures described in section III or section V of this Annex I, as applicable, which date the British Virgin Islands shall inform the United States of in writing by the date of entry into force of this Agreement, or (ii) the date of entry into force of this Agreement. If the alternative procedures for New Entity Accounts opened on or after July 1, 2014, and before January 1, 2015, described in paragraph H of this section are applied with respect to all New Entity Accounts or a clearly identified group of such accounts, the alternative procedures described in this paragraph G may not be applied with respect to such New Entity Accounts. For all other New Accounts, Reporting British Virgin Islands Financial Institutions must apply the due diligence procedures described in section III or section V of this Annex I, as applicable, to determine if the account is a U.S. Reportable Account or an account held by a Nonparticipating Financial Institution.*

2. **Alternative Procedures.**

a) *Within one year after the date of entry into force of this Agreement, Reporting British Virgin Islands Financial Institutions must: (i) with respect to a New Individual Account described in subparagraph G(1) of this section, request the self-certification specified in section III of this Annex I and confirm the reasonableness of such self-certification consistent with the procedures described in section III of this Annex I, and*

(ii) with respect to a New Entity Account described in subparagraph G(1) of this section, perform the due diligence procedures specified in section V of this Annex I and request information as necessary to document the account, including any self-certification, required by section V of this Annex I.

b) The British Virgin Islands must report on any New Account that is identified pursuant to subparagraph G(2)(a) of this section as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, by the date that is the later of: (i) September 30 next following the date that the account is identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, or (ii) 90 days after the account is identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable. The information required to be reported with respect to such a New Account is any information that would have been reportable under this Agreement if the New Account had been identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, as of the date the account was opened.

c) By the date that is one year after the date of entry into force of this Agreement, Reporting British Virgin Islands Financial Institutions must close any New Account described in subparagraph G(1) of this section for which it was unable to collect the required self-certification or other documentation pursuant to the procedures described in subparagraph G(2)(a) of this section. In addition, by the date that is one year after the date of entry into force of this Agreement, Reporting British Virgin Islands Financial Institutions must: (i) with respect to such closed accounts that prior to such closure were New Individual Accounts (without regard to whether such accounts were High Value Accounts), perform the due diligence procedures specified in paragraph D of section II of this Annex I, or (ii) with respect to such closed accounts that prior to such closure were New Entity Accounts, perform the due diligence procedures specified in section IV of this Annex I.

d) The British Virgin Islands must report on any closed account that is identified pursuant to subparagraph G(2)(c) of this section as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, by the date that is the later of: (i) September 30 next following the date that the account is identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, or (ii) 90 days after the account is identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable. The information required to be reported for such a closed account is any information that

would have been reportable under this Agreement if the account had been identified as a U.S. Reportable Account or as an account held by a Nonparticipating Financial Institution, as applicable, as of the date the account was opened.

2. Paragraph H of Section VI of Annex I:

H. Alternative Procedures for New Entity Accounts Opened on or after July 1, 2014, and before January 1, 2015. *For New Entity Accounts opened on or after July 1, 2014, and before January 1, 2015, either with respect to all New Entity Accounts or, separately, with respect to any clearly identified group of such accounts, the British Virgin Islands may permit Reporting British Virgin Islands Financial Institutions to treat such accounts as Preexisting Entity Accounts and apply the due diligence procedures related to Preexisting Entity Accounts specified in section IV of this Annex I in lieu of the due diligence procedures specified in section V of this Annex I. In this case, the due diligence procedures of section IV of this Annex I must be applied without regard to the account balance or value threshold specified in paragraph A of section IV of this Annex I.*