

**No. 52757\***

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**Netherlands (for the European and the Caribbean part of the  
Netherlands)  
and  
United States of America**

**Agreement between the Kingdom of the Netherlands and the United States of America to  
improve international tax compliance and to implement FATCA (with annexes). The  
Hague, 18 December 2013**

**Entry into force:** *9 April 2015 by notification, in accordance with article 10*

**Authentic text:** *English*

**Registration with the Secretariat of the United Nations:** *Netherlands, 16 June 2015*

*\*No UNTS volume number has yet been determined for this record. The Text(s) reproduced below, if attached, are the authentic texts of the agreement /action attachment as submitted for registration and publication to the Secretariat. For ease of reference they were sequentially paginated. Translations, if attached, are not final and are provided for information only.*

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**Pays-Bas (Pour la partie européenne et la partie caribéenne des  
Pays-Bas)  
et  
États-Unis d'Amérique**

**Accord entre le Royaume des Pays-Bas et les États-Unis d'Amérique relatif au renforcement  
du respect des obligations fiscales internationales et à la mise en oeuvre du FATCA  
(avec annexes). La Haye, 18 décembre 2013**

**Entrée en vigueur :** *9 avril 2015 par notification, conformément à l'article 10*

**Texte authentique :** *anglais*

**Enregistrement auprès du Secrétariat des Nations Unies :** *Pays-Bas, 16 juin 2015*

*\*Le numéro de volume RTNU n'a pas encore été établi pour ce dossier. Les textes reproduits ci-dessous, s'ils sont disponibles, sont les textes authentiques de l'accord/pièce jointe d'action tel que soumises pour l'enregistrement et publication au Secrétariat. Pour référence, ils ont été présentés sous forme de la pagination consécutive. Les traductions, s'ils sont inclus, ne sont pas en form finale et sont fournies uniquement à titre d'information.*

B. TEKST

**Agreement between the Kingdom of the Netherlands and the United States of America to improve international tax compliance and to implement FATCA**

Whereas,

the Kingdom of the Netherlands

and

the United States of America,

(each, a “Party,” and together, the “Parties”) have a longstanding and close relationship with respect to mutual assistance in tax matters in respect of the United States and the Netherlands and desire to conclude an agreement to improve international tax compliance by further building on that relationship;

Whereas, Article 30 of the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on 18 December 1992, as amended in 1993 and 2004 (“the Double Tax Convention”) and the Convention on Mutual Administrative Assistance in Tax Matters, done at Strasbourg on 25 January 1988 (the “Mutual Assistance Convention”) authorize exchange of information for tax purposes, including on an automatic basis

## Article 1

### *Definitions*

1. For purposes of this agreement and any annexes thereto (“Agreement”), the following terms shall have the meanings set forth below:

a) The term “United States” means the United States of America, including the States thereof, but does not include the U.S. Territories. Any reference to a “State” of the United States includes the District of Columbia.

b) The term “U.S. Territory” means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands.

c) The term “IRS” means the U.S. Internal Revenue Service.

d) The term “the Netherlands” means the Kingdom of the Netherlands, including the islands of Bonaire, Sint Eustatius and Saba, and excluding Aruba, Curaçao and Sint Maarten.

e) The term “Partner Jurisdiction” means a jurisdiction that has in effect an agreement with the United States to facilitate the implementation of FATCA. The IRS shall publish a list identifying all Partner Jurisdictions.

f) The term “Competent Authority” means:

1. in the case of the United States, the Secretary of the Treasury or his delegate; and
2. in the case of the Netherlands, the Minister of Finance or his authorized representative.

g) The term “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

h) The term “Custodial Institution” means any Entity that holds, as a substantial portion of its business, financial assets for the account of others. An entity holds financial assets for the account of others as a substantial portion of its business if the entity’s gross income attributable to the holding of financial assets and related financial services equals or exceeds 20 percent of the entity’s gross income during the shorter of: (i) the three-year period that ends on December 31 (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the entity has been in existence.

i) The term “Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

j) The term “Investment Entity” means any Entity that conducts as a business (or is managed by an entity that conducts as a business) one or more of the following activities or operations for or on behalf of a customer:

lations, but does not include a Netherlands Financial Institution or other Partner Jurisdiction Financial Institution other than a Financial Institution treated as a Nonparticipating Financial Institution pursuant to subparagraph 2(b) of Article 5 of this Agreement or the corresponding provision in an agreement between the United States and a Partner Jurisdiction.

s) The term “Financial Account” means an account maintained by a Financial Institution, and includes:

1. in the case of an Entity that is a Financial Institution solely because it is an Investment Entity, any equity or debt interest (other than interests that are regularly traded on an established securities market) in the Financial Institution;

2. in the case of a Financial Institution not described in subparagraph 1(s)(1) of this Article, any equity or debt interest in the Financial Institution (other than interests that are regularly traded on an established securities market), if (i) the value of the debt or equity interest is determined, directly or indirectly, primarily by reference to assets that give rise to U.S. Source Withholdable Payments, and (ii) the class of interests was established with a purpose of avoiding reporting in accordance with this Agreement; and

3. any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a noninvestment-linked, nontransferable immediate life annuity that is issued to an individual and monetizes a pension or disability benefit provided under an account, product, or arrangement that is excluded from the definition of Financial Account in Annex II.

Notwithstanding the foregoing, the term “Financial Account” does not include any account, product, or arrangement that is excluded from the definition of Financial Account in Annex II. For purposes of this Agreement, interests are “regularly traded” if there is a meaningful volume of trading with respect to the interests on an ongoing basis, and an “established securities market” means an exchange that is officially recognized and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange. For purposes of this subparagraph 1(s), an interest in a Financial Institution is not “regularly traded” and shall be treated as a Financial Account if the holder of the interest (other than a Financial Institution acting as an intermediary) is registered on the books of such Financial Institution. The preceding sentence will not apply to interests registered on the books of such Financial Institution prior to July 1, 2014, and with respect to interests registered on the books of such Financial Institution on or after July 1, 2014, a Financial Institution is not required to apply the preceding sentence prior to January 1, 2016.

t) The term “Depository Account” includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate

2. a refund to the policyholder of a previously paid premium under an Insurance Contract (other than under a life insurance contract) due to policy cancellation or termination, decrease in risk exposure during the effective period of the Insurance Contract, or arising from a redetermination of the premium due to correction of posting or other similar error; or

3. a policyholder dividend based upon the underwriting experience of the contract or group involved.

aa) The term "Reportable Account" means a U.S. Reportable Account or a Netherlands Reportable Account, as the context requires.

bb) The term "Netherlands Reportable Account" means a Financial Account maintained by a Reporting U.S. Financial Institution if: (i) in the case of a Depository Account, the account is held by an individual resident in the Netherlands and more than \$10 of interest is paid to such account in any given calendar year; or (ii) in the case of a Financial Account other than a Depository Account, the Account Holder is a resident of the Netherlands, including an Entity that certifies that it is resident in the Netherlands for tax purposes, with respect to which U.S. source income that is subject to reporting under chapter 3 of subtitle A or chapter 61 of subtitle F of the U.S. Internal Revenue Code is paid or credited.

cc) The term "U.S. Reportable Account" means a Financial Account maintained by a Reporting Netherlands Financial Institution and held by one or more Specified U.S. Persons or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person. Notwithstanding the foregoing, an account shall not be treated as a U.S. Reportable Account if such account is not identified as a U.S. Reportable Account after application of the due diligence procedures in Annex I.

dd) The term "Account Holder" means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of this Agreement, and such other person is treated as holding the account. For purposes of the immediately preceding sentence, the term "Financial Institution" does not include a Financial Institution organized or incorporated in a U.S. Territory. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

States. Notwithstanding the foregoing, a U.S. Source Withholdable Payment does not include any payment that is not treated as a withholdable payment in relevant U.S. Treasury Regulations.

jj) An Entity is a "Related Entity" of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50 percent of the vote or value in an Entity. Notwithstanding the foregoing, the Netherlands may treat an Entity as not a Related Entity of another Entity if the two Entities are not members of the same expanded affiliated group as defined in section 1471(e)(2) of the U.S. Internal Revenue Code.

kk) The term "U.S. TIN" means a U.S. federal taxpayer identifying number.

ll) The term "Netherlands TIN" means a taxpayer identifying number issued by the Netherlands.

mm) The term "Controlling Persons" means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

2. Any term not otherwise defined in this Agreement shall, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Party applying this Agreement, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

## Article 2

### *Obligations to Obtain and Exchange Information with Respect to Reportable Accounts*

1. Subject to the provisions of Article 3 of this Agreement, each Party shall obtain the information specified in paragraph 2 of this Article with respect to all Reportable Accounts and shall annually exchange this information with the other Party on an automatic basis pursuant to either or both of the Conventions, as appropriate.

2. The information to be obtained and exchanged is:

a) In the case of the Netherlands with respect to each U.S. Reportable Account of each Reporting Netherlands Financial Institution:

1. the name, address, and U.S. TIN of each Specified U.S. Person that is an Account Holder of such account and, in the case of a Non-

6. the gross amount of other U.S. source income paid or credited to the account, to the extent subject to reporting under chapter 3 of subtitle A or chapter 61 of subtitle F of the U.S. Internal Revenue Code.

### Article 3

#### *Time and Manner of Exchange of Information*

1. For purposes of the exchange obligation in Article 2 of this Agreement, the amount and characterization of payments made with respect to a U.S. Reportable Account may be determined in accordance with the principles of the tax laws of the Netherlands, and the amount and characterization of payments made with respect to a Netherlands Reportable Account may be determined in accordance with principles of U.S. federal income tax law.

2. For purposes of the exchange obligation in Article 2 of this Agreement, the information exchanged shall identify the currency in which each relevant amount is denominated.

3. With respect to paragraph 2 of Article 2 of this Agreement, information is to be obtained and exchanged with respect to 2014 and all subsequent years, except that:

a) In the case of the Netherlands:

1. the information to be obtained and exchanged with respect to 2014 is only the information described in subparagraphs 2(a)(1) through 2(a)(4) of Article 2 of this Agreement;

2. the information to be obtained and exchanged with respect to 2015 is the information described in subparagraphs 2(a)(1) through 2(a)(7) of Article 2 of this Agreement, except for gross proceeds described in subparagraph 2(a)(5)(B) of Article 2 of this Agreement; and

3. the information to be obtained and exchanged with respect to 2016 and subsequent years is the information described in subparagraphs 2(a)(1) through 2(a)(7) of Article 2 of this Agreement;

b) In the case of the United States, the information to be obtained and exchanged with respect to 2014 and subsequent years is all of the information identified in subparagraph 2(b) of Article 2 of this Agreement.

4. Notwithstanding paragraph 3 of this Article, with respect to each Reportable Account that is maintained by a Reporting Financial Institution as of June 30, 2014, and subject to paragraph 4 of Article 6 of this Agreement, the Parties are not required to obtain and include in the exchanged information the Netherlands TIN or the U.S. TIN, as applicable, of any relevant person if such taxpayer identifying number is not in the records of the Reporting Financial Institution. In such a case, the

c) complies with the applicable registration requirements on the IRS FATCA registration website;

d) to the extent that a Reporting Netherlands Financial Institution is (i) acting as a qualified intermediary (for purposes of section 1441 of the U.S. Internal Revenue Code) that has elected to assume primary withholding responsibility under chapter 3 of subtitle A of the U.S. Internal Revenue Code, (ii) a foreign partnership that has elected to act as a withholding foreign partnership (for purposes of both sections 1441 and 1471 of the U.S. Internal Revenue Code), or (iii) a foreign trust that has elected to act as a withholding foreign trust (for purposes of both sections 1441 and 1471 of the U.S. Internal Revenue Code), withholds 30 percent of any U.S. Source Withholdable Payment to any Nonparticipating Financial Institution; and

e) in the case of a Reporting Netherlands Financial Institution that is not described in subparagraph 1(d) of this Article and that makes a payment of, or acts as an intermediary with respect to, a U.S. Source Withholdable Payment to any Nonparticipating Financial Institution, the Reporting Netherlands Financial Institution provides to any immediate payor of such U.S. Source Withholdable Payment the information required for withholding and reporting to occur with respect to such payment.

Notwithstanding the foregoing, a Reporting Netherlands Financial Institution with respect to which the conditions of this paragraph 1 are not satisfied shall not be subject to withholding under section 1471 of the U.S. Internal Revenue Code unless such Reporting Netherlands Financial Institution is treated by the IRS as a Nonparticipating Financial Institution pursuant to subparagraph 2(b) of Article 5 of this Agreement.

2. Suspension of Rules Relating to Recalcitrant Accounts. The United States shall not require a Reporting Netherlands Financial Institution to withhold tax under section 1471 or 1472 of the U.S. Internal Revenue Code with respect to an account held by a recalcitrant account holder (as defined in section 1471(d)(6) of the U.S. Internal Revenue Code), or to close such account, if the U.S. Competent Authority receives the information set forth in subparagraph 2(a) of Article 2 of this Agreement, subject to the provisions of Article 3 of this Agreement, with respect to such account.

3. Specific Treatment of Netherlands Retirement Plans. The United States shall treat as deemed-compliant FFIs or exempt beneficial owners, as appropriate, for purposes of sections 1471 and 1472 of the U.S. Internal Revenue Code Netherlands retirement plans described in Annex II. For this purpose, a Netherlands retirement plan includes an Entity established or located in, and regulated in the Netherlands, or a pre-determined contractual or legal arrangement, operated to provide pension or retirement benefits or earn income for providing such benefits under

year with respect to which similar information is required to be reported to the IRS by participating FFIs pursuant to relevant U.S. Treasury Regulations;

b) the Netherlands shall not be obligated to begin exchanging information prior to the date by which participating FFIs are required to report similar information to the IRS under relevant U.S. Treasury Regulations;

c) the United States shall not be obligated to obtain and exchange information with respect to a calendar year that is prior to the first calendar year with respect to which the Netherlands is required to obtain and exchange information; and

d) the United States shall not be obligated to begin exchanging information prior to the date by which the Netherlands is required to begin exchanging information.

7. Coordination of Definitions with U.S. Treasury Regulations. Notwithstanding Article 1 of this Agreement and the definitions provided in the Annexes to this Agreement, in implementing this Agreement the Netherlands may use, and may permit Netherlands Financial Institutions to use, a definition in relevant U.S. Treasury Regulations in lieu of a corresponding definition in this Agreement, provided that such application would not frustrate the purposes of this Agreement.

## Article 5

### *Collaboration on Compliance and Enforcement*

1. Minor and Administrative Errors. A Competent Authority shall notify the Competent Authority of the other Party when the first-mentioned Competent Authority has reason to believe that administrative errors or other minor errors may have led to incorrect or incomplete information reporting or resulted in other infringements of this Agreement. The Competent Authority of such other Party shall apply its domestic law (including applicable penalties) to obtain corrected and/or complete information or to resolve other infringements of this Agreement.

2. Significant Non-Compliance.

a) A Competent Authority shall notify the Competent Authority of the other Party when the first-mentioned Competent Authority has determined that there is significant non-compliance with the obligations under this Agreement with respect to a Reporting Financial Institution in the other jurisdiction. The Competent Authority of such other Party shall apply its domestic law (including applicable penalties) to address the significant non-compliance described in the notice.

b) If, in the case of a Reporting Netherlands Financial Institution, such enforcement actions do not resolve the non-compliance within a period of 18 months after notification of significant non-compliance is

lands TIN of each Account Holder of a Netherlands Reportable Account as required pursuant to subparagraph 2(b)(1) of Article 2 of this Agreement; and

b) The Netherlands commits to establish, by January 1, 2017, for reporting with respect to 2017 and subsequent years, rules requiring Reporting Netherlands Financial Institutions to obtain the U.S. TIN of each Specified U.S. Person as required pursuant to subparagraph 2(a)(1) of Article 2 of this Agreement.

#### Article 7

##### *Consistency in the Application of FATCA to Partner Jurisdictions*

1. The Netherlands 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 Netherlands 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 the Netherlands 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 this Agreement.

2. The United States shall notify the Netherlands 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 signing of the agreement incorporating the more favorable terms, unless the Netherlands declines in writing the application thereof.

#### Article 8

##### *Consultations and Amendments*

1. In case any difficulties in the implementation of this Agreement arise, either Party may request consultations to develop appropriate measures to ensure the fulfillment of this Agreement.

2. This Agreement may be amended by written mutual agreement of the Parties. Unless otherwise agreed upon, such an amendment shall enter into force through the same procedures as set forth in paragraph 1 of Article 10 of this Agreement.

#### Article 9

##### *Annexes*

The Annexes form an integral part of this Agreement.

**B. For purposes of the Agreement,**

1. All dollar amounts are in U.S. dollars and shall be read to include the equivalent in other currencies.

2. Except as otherwise provided herein, the balance or value of an account shall be determined as of the last day of the calendar year or other appropriate reporting period.

3. Where a balance or value threshold is to be determined as of June 30, 2014, under this Annex I, the relevant balance or value shall be determined as of that day or the last day of the reporting period ending immediately before June 30, 2014, and where a balance or value threshold is to be determined as of the last day of a calendar year under this Annex I, the relevant balance or value shall be determined as of the last day of the calendar year or other appropriate reporting period.

4. Subject to subparagraph E(1) of section II of this Annex I, an account shall be treated as a U.S. Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures in this Annex I.

5. Unless otherwise provided, information with respect to a U.S. Reportable Account shall be reported annually in the calendar year following the year to which the information relates.

C. As an alternative to the procedures described in each section of this Annex I, the Netherlands may permit Reporting Netherlands Financial Institutions to rely on the procedures described in relevant U.S. Treasury Regulations to establish whether an account is a U.S. Reportable Account or an account held by a Nonparticipating Financial Institution. The Netherlands may permit Reporting Netherlands Financial Institutions to make such election separately for each section of this Annex I either with respect to all relevant Financial Accounts or, separately, with respect to any clearly identified group of such accounts (such as by line of business or the location of where the account is maintained).

*II. Preexisting Individual Accounts.*

The following rules and procedures apply for purposes of identifying U.S. Reportable Accounts among Preexisting Accounts held by individuals ("Preexisting Individual Accounts").

**A. Accounts Not Required to Be Reviewed, Identified, or Reported.** Unless the Reporting Netherlands Financial Institution elects otherwise, either with respect to all Preexisting Individual Accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in the Netherlands provide for such an election, the following Preexisting Individual Accounts are not required to be reviewed, identified, or reported as U.S. Reportable Accounts:

1. Subject to subparagraph E(2) of this section, a Preexisting Individual Account with a balance or value that does not exceed \$50,000 as of June 30, 2014.

tution must treat the account as a U.S. Reportable Account unless it elects to apply subparagraph B(4) of this section and one of the exceptions in such subparagraph applies with respect to that account.

4. Notwithstanding a finding of U.S. indicia under subparagraph B(1) of this section, a Reporting Netherlands Financial Institution is not required to treat an account as a U.S. Reportable Account if:

a) Where the Account Holder information unambiguously indicates a *U.S. place of birth*, the Reporting Netherlands Financial Institution obtains, or has previously reviewed and maintains a record of:

1. A self-certification that the Account Holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form);

2. A non-U.S. passport or other government-issued identification evidencing the Account Holder's citizenship or nationality in a country other than the United States; *and*

3. A copy of the Account Holder's Certificate of Loss of Nationality of the United States or a reasonable explanation of:

a) The reason the Account Holder does not have such a certificate despite relinquishing U.S. citizenship; *or*

b) The reason the Account Holder did not obtain U.S. citizenship at birth.

b) Where the Account Holder information contains a *current U.S. mailing or residence address, or one or more U.S. telephone numbers that are the only telephone numbers associated with the account*, the Reporting Netherlands Financial Institution obtains or has previously reviewed and maintains a record of:

1. A self-certification that the Account Holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form); *and*

2. Documentary evidence, as defined in paragraph D of section VI of this Annex I, establishing the Account Holder's non-U.S. status.

c) Where the Account Holder information contains *standing instructions to transfer funds to an account maintained in the United States*, the Reporting Netherlands Financial Institution obtains, or has previously reviewed and maintains a record of:

1. A self-certification that the Account Holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form); *and*

2. Documentary evidence, as defined in paragraph D of section VI of this Annex I, establishing the Account Holder's non-U.S. status.

d) Where the Account Holder information contains a *currently effective power of attorney or signatory authority granted to a person with a U.S. address, has an "in-care-of" address or "hold mail" address that is the sole address identified for the Account*

- b) The most recent account opening contract or documentation;
- c) The most recent documentation obtained by the Reporting Netherlands Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;
- d) Any power of attorney or signature authority forms currently in effect; and
- e) Any standing instructions to transfer funds currently in effect.

3. Exception Where Databases Contain Sufficient Information. A Reporting Netherlands Financial Institution is not required to perform the paper record search described in subparagraph D(2) of this section if the Reporting Netherlands Financial Institution's electronically searchable information includes the following:

- a) The Account Holder's nationality or residence status;
- b) The Account Holder's residence address and mailing address currently on file with the Reporting Netherlands Financial Institution;
- c) The Account Holder's telephone number(s) currently on file, if any, with the Reporting Netherlands Financial Institution;
- d) Whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting Netherlands Financial Institution or another Financial Institution);
- e) Whether there is a current "in-care-of" address or "hold mail" address for the Account Holder; *and*
- f) Whether there is any power of attorney or signatory authority for the account.

4. Relationship Manager Inquiry for Actual Knowledge. In addition to the electronic and paper record searches described above, the Reporting Netherlands Financial Institution must treat as a U.S. Reportable Account any High Value Account assigned to a relationship manager (including any Financial Accounts aggregated with such High Value Account) if the relationship manager has actual knowledge that the Account Holder is a Specified U.S. Person.

5. Effect of Finding U.S. Indicia.

- a) If none of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a Specified U.S. Person in subparagraph D(4) of this section, then no further action is required until there is a change in circumstances that results in one or more U.S. indicia being associated with the account.
- b) If any of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the enhanced review of High Value Accounts described above, or if there is a subsequent change in circumstances that results in one or more U.S. indicia being associated with the account, then the Reporting Netherlands Financial

then the Reporting Netherlands Financial Institution must treat the account as a U.S. Reportable Account unless it elects to apply subparagraph B(4) of this section and one of the exceptions in such subparagraph applies with respect to that account.

5. A Reporting Netherlands Financial Institution must implement procedures to ensure that a relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is notified that the Account Holder has a new mailing address in the United States, the Reporting Netherlands Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph B(4) of this section, is required to obtain the appropriate documentation from the Account Holder.

**F. Preexisting Individual Accounts That Have Been Documented for Certain Other Purposes.** A Reporting Netherlands Financial Institution that has previously obtained documentation from an Account Holder to establish the Account Holder's status as neither a U.S. citizen nor a U.S. resident in order to meet its obligations under a qualified intermediary, withholding foreign partnership, or withholding foreign trust agreement with the IRS, or to fulfill its obligations under chapter 61 of Title 26 of the United States Code, is not required to perform the procedures described in subparagraph B(1) of this section with respect to Lower Value Accounts or subparagraphs D(1) through D(3) of this section with respect to High Value Accounts.

### *III. New Individual Accounts.*

The following rules and procedures apply for purposes of identifying U.S. Reportable Accounts among Financial Accounts held by individuals and opened on or after July 1, 2014 ("New Individual Accounts").

**A. Accounts Not Required to Be Reviewed, Identified, or Reported.** Unless the Reporting Netherlands Financial Institution elects otherwise, either with respect to all New Individual Accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in the Netherlands provide for such an election, the following New Individual Accounts are not required to be reviewed, identified, or reported as U.S. Reportable Accounts:

1. A Depository Account unless the account balance exceeds \$50,000 at the end of any calendar year or other appropriate reporting period.
2. A Cash Value Insurance Contract unless the Cash Value exceeds \$50,000 at the end of any calendar year or other appropriate reporting period.

**B. Other New Individual Accounts.** With respect to New Individual Accounts not described in paragraph A of this section, upon account opening (or within 90 days after the end of the calendar year in which the account ceases to be described in paragraph A of this section), the Reporting Netherlands Financial Institution must obtain a self-

\$1,000,000 as of the last day of 2015 or any subsequent year, must be reviewed in accordance with the procedures set forth in paragraph D of this section.

**C. Entity Accounts With Respect to Which Reporting Is Required.** With respect to Preexisting Entity Accounts described in paragraph B of this section, only accounts that are held by one or more Entities that are Specified U.S. Persons, or by Passive NFFEs with one or more Controlling Persons who are U.S. citizens or residents, shall be treated as U.S. Reportable Accounts. In addition, accounts held by Nonparticipating Financial Institutions shall be treated as accounts for which aggregate payments as described in subparagraph 1(b) of Article 4 of the Agreement are reported to the Netherlands Competent Authority.

**D. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required.** For Preexisting Entity Accounts described in paragraph B of this section, the Reporting Netherlands Financial Institution must apply the following review procedures to determine whether the account is held by one or more Specified U.S. Persons, by Passive NFFEs with one or more Controlling Persons who are U.S. citizens or residents, or by Nonparticipating Financial Institutions:

**1. Determine Whether the Entity Is a Specified U.S. Person.**

a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is a U.S. Person. For this purpose, information indicating that the Account Holder is a U.S. Person includes a U.S. place of incorporation or organization, or a U.S. address.

b) If the information indicates that the Account Holder is a U.S. Person, the Reporting Netherlands Financial Institution must treat the account as a U.S. Reportable Account unless it obtains a self-certification from the Account Holder (which may be on an IRS Form W-8 or W-9, or a similar agreed form), or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Specified U.S. Person.

**2. Determine Whether a Non-U.S. Entity Is a Financial Institution.**

a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is a Financial Institution.

b) If the information indicates that the Account Holder is a Financial Institution, or the Reporting Netherlands Financial Institution verifies the Account Holder's Global Intermediary Identification Number on the published IRS FFI list, then the account is not a U.S. Reportable Account.

**3. Determine Whether a Financial Institution Is a Nonparticipating Financial Institution Payments to Which Are Subject to Aggregate Reporting Under Subparagraph 1(b) of Article 4 of the Agreement.**

b) For purposes of determining whether the Account Holder is a Passive NFFE, the Reporting Netherlands Financial Institution must obtain a self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFFE.

c) For purposes of determining whether a Controlling Person of a Passive NFFE is a U.S. citizen or resident for tax purposes, a Reporting Netherlands Financial Institution may rely on:

1. Information collected and maintained pursuant to AML/KYC Procedures in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance or value that does not exceed \$1,000,000; *or*

2. A self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the Account Holder or such Controlling Person in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance or value that exceeds \$1,000,000.

d) If any Controlling Person of a Passive NFFE is a U.S. citizen or resident, the account shall be treated as a U.S. Reportable Account.

**E. Timing of Review and Additional Procedures Applicable to Preexisting Entity Accounts.**

1. Review of Preexisting Entity Accounts with an account balance or value that exceeds \$250,000 as of June 30, 2014, must be completed by June 30, 2016.

2. Review of Preexisting Entity Accounts with an account balance or value that does not exceed \$250,000 as of June 30, 2014, but exceeds \$1,000,000 as of December 31 of 2015 or any subsequent year, must be completed within six months after the last day of the calendar year in which the account balance or value exceeds \$1,000,000.

3. If there is a change of circumstances with respect to a Preexisting Entity Account that causes the Reporting Netherlands Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting Netherlands Financial Institution must re-determine the status of the account in accordance with the procedures set forth in paragraph D of this section.

***V. New Entity Accounts.***

The following rules and procedures apply for purposes of identifying U.S. Reportable Accounts and accounts held by Nonparticipating Financial Institutions among Financial Accounts held by Entities and opened on or after July 1, 2014 ("New Entity Accounts").

son. If any such person is a U.S. citizen or resident, the Reporting Netherlands Financial Institution must treat the account as a U.S. Reportable Account.

c) If the Account Holder is: (i) a U.S. Person that is not a Specified U.S. Person; (ii) subject to subparagraph B(3)(d) of this section, a Netherlands Financial Institution or other Partner Jurisdiction Financial Institution; (iii) a participating FFI, a deemed-compliant FFI, or an exempt beneficial owner, as those terms are defined in relevant U.S. Treasury Regulations; (iv) an Active NFFE; or (v) a Passive NFFE none of the Controlling Persons of which is a U.S. citizen or resident, then the account is not a U.S. Reportable Account, and no reporting is required with respect to the account.

d) If the Account Holder is a Nonparticipating Financial Institution (including a Netherlands Financial Institution or other Partner Jurisdiction Financial Institution treated by the IRS as a Nonparticipating Financial Institution), then the account is not a U.S. Reportable Account, but payments to the Account Holder must be reported as contemplated in subparagraph 1(b) of Article 4 of the Agreement.

#### *VI. Special Rules and Definitions.*

The following additional rules and definitions apply in implementing the due diligence procedures described above:

**A. Reliance on Self-Certifications and Documentary Evidence.** A Reporting Netherlands Financial Institution may not rely on a self-certification or documentary evidence if the Reporting Netherlands Financial Institution knows or has reason to know that the self-certification or documentary evidence is incorrect or unreliable.

**B. Definitions.** The following definitions apply for purposes of this Annex I.

1. **AML/KYC Procedures.** “AML/KYC Procedures” means the customer due diligence procedures of a Reporting Netherlands Financial Institution pursuant to the anti-money laundering or similar requirements of the Netherlands to which such Reporting Netherlands Financial Institution is subject.

2. **NFFE.** An “NFFE” means any Non-U.S. Entity that is not an FFI as defined in relevant U.S. Treasury Regulations or is an Entity described in subparagraph B(4)(j) of this section, and also includes any Non-U.S. Entity that is resident in the Netherlands or established in another Partner Jurisdiction and that is not a Financial Institution.

3. **Passive NFFE.** A “Passive NFFE” means any NFFE that is not (i) an Active NFFE, or (ii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

4. **Active NFFE.** An “Active NFFE” means any NFFE that meets any of the following criteria:

- j) The NFFE meets all of the following requirements:
- (i) It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;
  - (ii) It is exempt from income tax in its jurisdiction of residence;
  - (iii) It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
  - (iv) The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; *and*
  - (v) The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision thereof.

5. Preexisting Account. A "Preexisting Account" means a Financial Account maintained by a Reporting Financial Institution as of June 30, 2014.

C. Account Balance Aggregation and Currency Translation Rules.

1. Aggregation of Individual Accounts. For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting Netherlands Financial Institution is required to aggregate all Financial Accounts maintained by the Reporting Netherlands Financial Institution, or by a Related Entity, but only to the extent that the Reporting Netherlands Financial Institution's computerized systems link the Financial Accounts by reference to a data element such as client number or taxpayer identification number, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this paragraph 1.

2. Aggregation of Entity Accounts. For purposes of determining the aggregate balance or value of Financial Accounts held by an

**E. Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract.** A Reporting Netherlands Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract receiving a death benefit is not a Specified U.S. Person and may treat such Financial Account as a non-U.S. Reportable Account unless the Reporting Netherlands Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Specified U.S. Person. A Reporting Netherlands Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract is a Specified U.S. Person if the information collected by the Reporting Netherlands Financial Institution and associated with the beneficiary contains U.S. indicia as described in subparagraph (B)(1) of section II of this Annex I. If a Reporting Netherlands Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Specified U.S. Person, the Reporting Netherlands Financial Institution must follow the procedures in subparagraph B(3) of section II of this Annex I.

**F. Reliance on Third Parties.** Regardless of whether an election is made under paragraph C of section I of this Annex I, the Netherlands may permit Reporting Netherlands Financial Institutions to rely on due diligence procedures performed by third parties, to the extent provided in relevant U.S. Treasury Regulations.

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## **Annex II**

### **Non-reporting Netherlands Financial Institutions and Products**

This Annex II may be modified by a mutual written decision entered into between the Competent Authorities of the Netherlands and the United States: (1) to include additional Entities, accounts and products that present a low risk of being used by U.S. Persons to evade U.S. tax and that have similar characteristics to the Entities, accounts, and products described in this Annex II as of the date of entry into force of the Agreement; or (2) to remove Entities, accounts and products that, due to changes in circumstances, no longer present a low risk of being used by U.S. Persons to evade U.S. tax. Any such addition or removal shall be effective on the date of signature of the mutual decision, unless otherwise provided therein. Procedures for reaching such a mutual decision may be included in the mutual arrangement described in paragraph 6 of Article 3 of the Agreement.

6. An entity as meant in paragraph 2 of Article 19a of the Wage Tax Act 1964 (*Wet op de loonbelasting 1964*) administering a pension arrangement in relation to an individual who is both an employee and substantial shareholder as referred to in Article 1 of the Pension Act (*Pensioenwet*);

7. A company pension fund or an industry-wide pension fund as meant in the Pension Act BES (*Pensioenwet BES*).

#### *E. Investment Entity Wholly Owned by Exempt Beneficial Owners*

An Entity that is a Netherlands Financial Institution solely because it is an Investment Entity, provided that each direct holder of an Equity Interest in the Entity is an exempt beneficial owner, and each direct holder of a debt interest in such Entity is either a Depository Institution (with respect to a loan made to such Entity) or an exempt beneficial owner.

### *II. Deemed-Compliant Financial Institutions.*

**A. Deemed-Compliant Financial Institutions** The following Financial Institutions are treated as Non-Reporting Netherlands Financial Institutions and as deemed-compliant FFIs for purposes of section 1471 of the U.S. Internal Revenue Code:

1. **Financial Institutions with a Local Client Base** Any Financial Institution that meets all of the following requirements:

a) The Financial Institution must be licensed and regulated under the laws of the Netherlands;

b) The Financial Institution must have no fixed place of business outside the Netherlands;

c) The Financial Institution must not solicit account holders outside the Netherlands. For this purpose, a Financial Institution shall not be considered to have solicited account holders outside of the Netherlands merely because it operates a website, provided that the website does not specifically indicate that the Financial Institution provides accounts or services to non-residents or otherwise target or solicit U.S. customers;

d) The Financial Institution must be required under the tax laws of the Netherlands to perform either information reporting, withholding of tax with respect to accounts held by residents of the Netherlands or is required to identify resident accounts for purposes of satisfying Netherlands AML due diligence requirements;

e) At least 98 percent of the accounts by value provided by the Financial Institution must be held by residents (including residents that are entities) of the Netherlands or another Member State of the European Union;

f) Subject to subparagraph 1(g), below, beginning on July 1, 2014, the Financial Institution does not provide accounts to (i) any

- e) The following quasi-governmental non-profit organizations:
- (i) *Stichting Stimuleringsfonds Volkshuisvesting Nederlandse Gemeenten* (Fund for Stimulation of Public Housing Dutch Municipalities);
  - (ii) *Stichting Nationaal Restauratiefonds* (Restoration Fund);
  - (iii) *Stichting Groenfonds* (Green Fund);
  - (iv) *Besloten vennootschap met beperkte aansprakelijkheid Nationale Maatschappij tot Behoud, Ontwikkeling en Exploitatie van Industrieel Erfgoed B.V.* (National Society for Salvation, Development and Exploitation of Industrial Monuments).

3. A fund that is exempt under the Corporation Tax Act (*Wet op de vennootschapsbelasting 1969*) and constituted by a Netherlands labor union and operated exclusively to administer or provide benefits to its members in case they are on strike (*stakingskassen*) and of which the payments are exempt under paragraph 1(f) of Article 3.13 of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

4. Investment Advisors and Investment Managers

An Investment Entity resident in the Netherlands the sole activity of which is (1) to render investment advice to, and act on behalf of, or (2) to manage portfolios for, a customer based on a power of attorney or similar instrument (*e.g.*, an investment authority) issued by the holder of a Financial Account or based on investment powers in a directorship capacity for the purposes of investing, managing, or administering funds deposited in the name of the person or Entity granting the power or issuing the similar instrument with a Financial Institution other than a Nonparticipating Financial Institution.

B. Certain Collective Investment Vehicles

1. In the case of an Investment Entity that is a collective investment vehicle resident in the Netherlands if all of the interests in the collective investment vehicle (including debt interests in excess of \$50,000) are held by or through one or more exempt beneficial owners, Active NFFEs described in subparagraph B(4) of section VI of Annex I, U.S. Persons that are not Specified U.S. Persons, or Financial Institutions that are not Nonparticipating Financial Institutions, such collective investment vehicle will be treated as a deemed-compliant FFI for purposes of section 1471 of the U.S. Internal Revenue Code, and the reporting obligations of any Investment Entity (other than a Financial Institution through which interests in the collective investment vehicle are held) shall be deemed fulfilled with respect to interests in the collective investment vehicle.

2. With respect to interests in:

a. An Investment Entity that is regulated as a collective investment vehicle under the laws of a Partner Jurisdiction, all of the interest in which (including debt interests in excess of \$50,000) are held by or through one or more exempt beneficial owners, Active NFFEs described in subparagraph B(4) of section VI of Annex I,

*B. Certain Other Tax-Favored Accounts or Products*

1. A *Kapitaalverzekering Eigen Woning* (endowment insurance connected with the mortgage on the owner-occupied home, as described in Article 3.116 Income Tax Act 2001), a *Spaarrecht Eigen Woning*, a *Bellegingsrecht Eigen Woning* (the bank and investment equivalent of the *Kapitaalverzekering Eigen Woning*, as described in Article 3.116a Income Tax Act 2001) and a *bouwdepot* (building account);

2. A *Stamrecht* (tax-favored annuity for severance benefits, as described in paragraph 1(g) of Article 11 and Article 11a of the Wage Tax Act 1964);

3. A Course of life account (including a *levenslooptrekening*, *levenslooptverzekering* and a *levenslooptrecht van deelneming*) concluded and maintained prior to January 1, 2012.

*C. Other Exempt Products*

1. An alimony annuity, as provided by Article 6.5 and Article 6.6 of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);

2. Any funeral insurance policy with a premium of € 1,000 per year or less.

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Titel : Protocol tot wijziging van het Verdrag inzake weder-  
zijdse administratieve bijstand in belastingzaken;  
Parijs, 27 mei 2010  
Tekst : *Trb.* 2010, 221 (Engels, Frans en vertaling)  
Laatste *Trb.* : *Trb.* 2013, 113

Uitgegeven de *dertigste* januari 2014.

*De Minister van Buitenlandse Zaken,*

F.C.G.M. TIMMERMANS