

Client information

Automatic Exchange of Information (AEI) – Information for individual clients with a banking relationship in Switzerland

A new global regulation known as AEI is helping to increase tax transparency. Under AEI, Switzerland will exchange tax-related information about clients and their financial accounts with countries with which Switzerland has an AEI agreement in force.

This document is intended to inform you as required under Article 14 of the AEI Act¹ and provides you with general information regarding AEI and how it works. If you have concerns about your tax obligations please consult your legal or tax advisor. UBS Switzerland AG (UBS) does not provide legal or tax advice.

How does UBS support AEI?

UBS is committed to full compliance with tax transparency initiatives and will fully comply with its AEI obligations.

UBS is a reporting Swiss financial institution in accordance with the AEI Act which is the legal basis for implementing the AEI standard in Switzerland.

When does AEI start in Switzerland?

As of 1 January 2017 all reporting Swiss financial institutions, including UBS, implemented the AEI and will exchange data from 2018 onwards with countries with which Switzerland has an agreement in place (i.e. Reportable Jurisdictions). To see which countries have signed an AEI agreement with Switzerland, please visit www.ubs.com/aei-ch.

How does AEI work?

As a reporting Swiss financial institution, UBS must determine the tax residence/s of all its clients.

Each year, UBS will be required to report to the Swiss Federal Tax Administration (FTA) information regarding all account holders that are tax resident in a Reportable Jurisdiction. If an account is held in a fiduciary capacity² 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 purpose of AEI.

The FTA will then send the information received from UBS to the tax authorities of the clients' country of tax residence. A client may have more than one country of tax residence.

How might AEI affect you?

As a new client (i.e. where the banking relationship is opened on or after 1 January 2017) you will be requested to confirm your tax residence/s and your Taxpayer Identification Number/s (TIN)³ during the account opening process.

If you are an existing client (i.e. where the banking relationship was opened before 1 January 2017 or if you have a change in circumstances⁴) you are impacted if information on our files indicate that you might have a tax residence in a Reportable Jurisdiction (i.e. AEI indicia). Each of the following indications of a Reportable Jurisdiction is an AEI indicium and must be considered to determine potential reporting obligations:

- Tax residence information provided for purposes other than AEI;
- Residence address;
- Correspondence address;
- Telephone numbers; or
- Residence address of power of attorney holder.

In such a case we will ask you to confirm your tax residence and TIN to us by completing and signing an AEI Form.

¹ Swiss Federal Act on the International Automatic Exchange of Information in Tax Matters (AEI Act)

² By a natural person or an entity that is not a financial institution

³ UBS will only ask for a TIN if one has been issued by your country of tax residence. For more information on TIN please refer to the information at the end of the document.

⁴ E.g. future change of residence address or country of tax residence



What will UBS report to the FTA?

The reportable information includes the account holder's personal data (name, address, country of tax residence, date of birth, TIN), account information (account number, aggregate balance or value of the account at the end of the year, investment income including total gross amount of interest, dividends or other income and total gross proceeds from sales or redemptions) and the name and identification number of UBS.

For what purpose will this information be used?

Generally, the information exchanged may only be made available to the tax authorities of your countries of tax residence and may only be used for tax purposes. In principle and within the statutory framework, it is prohibited for your country of tax residence to forward this information to another jurisdiction or to make it available to a person or authority that is not responsible for handling or supervising taxation. The information must be treated as confidential.

What are your rights?

You have the following rights under the **AEI Act** and the **Swiss Federal Act on Data Protection (FADP)**:

Vis-à-vis UBS:

- You are entitled to the full extent of legal protection offered by the FADP. In particular, you have the right to request what information UBS has collected about you and will be reported to the FTA.
- UBS issues yearly AEI statements automatically. The statement lists the information which is reported to the FTA and exchanged with the tax authorities in your country(ies) of tax residence. It must be noted that information reported under AEI may differ from your tax relevant information.
- You are also entitled to request that incorrect data in our systems are corrected.

Vis-à-vis the FTA:

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

- If the exchange of information were to 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 Procedure.
- 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 vis-à-vis 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.

What do you need to do?

If you receive an AEI Form from UBS, please complete, sign and return this form as soon as you can and provide any required supporting documents UBS might request.

If, in the capacity as contracting partner of UBS, you are not the account holder for the purpose of AEI (see «How does AEI work?»), we kindly ask you to forward copies of this document to all relevant persons.

Please also remember that AEI reporting through financial institutions like UBS does not replace your duty to file tax returns with the tax authorities in your countries of residence.

What happens if you do not react?

If you do not provide an AEI Form, UBS must report you to the respective Reportable Jurisdictions based on the information that is available to UBS.

Does AEI affect other regulations?

AEI replaces the bilateral tax agreements between Switzerland and Austria and between Switzerland and the UK. It also replaces the EU Savings Tax Directive.

Want to know more?

To find out more about AEI and download our AEI Forms, please visit www.ubs.com/aei-ch.



Information on Taxpayer Identification Number (TIN)

A TIN is a unique combination of letters and/or numbers assigned by a country to an individual and used to identify the individual for the purpose of administering the tax laws of such country. In the absence of a TIN, a functional equivalent may be used in your country for tax purposes.

Examples of where to find your TIN⁵:

Germany

The Federal Central Tax Office («Bundeszentralamt für Steuern») informs taxpayers in writing of their TIN. Each individual who is subject to taxation is assigned a TIN. A taxpayer's TIN is also indicated on tax assessment notices and correspondence from revenue authorities. TINs are comprised of 11 digits.

France

French TINs (known as the «numéro fiscal de référence» or «numéro SPI») are issued once an individual is identified by the French Tax Administration as a taxpayer, i.e. the issuance of the TIN occurs following a first tax-return or first tax payment obligation. The TIN may be found on the first page of the pre-filled tax return for income tax («déclaration pré-remplie d'impôt sur le revenu») and on the first page of the notice of assessment («avis d'imposition») of income tax, residence tax or property tax. TINs are comprised of 13 digits.

UK

The UK has two TIN-like numbers: the unique taxpayer reference (UTR) and the National Insurance Number (NINO). The UTR is automatically allocated by HM Revenue and Customs (HMRC) to individuals that have to submit a tax return. The UTR may be found on the front page of the tax return, on the Notice to Complete Tax Return or on a Statement of Account. The UTR is comprised of 10 digits. The NINO is either allocated or can be issued to individuals living regularly in the UK. Individuals are notified of their NINO on a plastic card or, as of September 2010, by written notification from the Department for Work and Pensions. The NINO may be found on the coding notices HMRC issues to taxpayers, on a National Insurance card or on letters issued by the Department for Work and Pensions. The number also appears on an employee's pay slip and on a Statement of Account issued by HMRC. The NINO consists of two letters, six numbers and a suffix letter.

Italy

TINs are only issued by any Office of the Italian Revenue Agency («Agenzia delle Entrate») upon request. The TIN may be found on a) the personal Health card/Tax identification number («tessera sanitaria»/«codice fiscale»), b) a TIN card or c) on an Electronic Identity Card, residence permit or on the National Service Card. TINs are comprised of a combination of letters and digits (16 characters).

Austria

The Local Tax Offices issue TINs to individuals that are liable to tax. A TIN can change when a taxpayer changes residences. The TIN can be found on tax assessments in the right upper corner of the first page. TINs are comprised of 9 digits.

⁵ Source: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>

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