



NOTICE ON CRS/DAC-2 COMPLIANCE

Hungary has signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (hereinafter: Agreement) and the signature thereof was announced in the Act CXC of 2015. The terms of the Agreement, in line with COUNCIL DIRECTIVE 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (hereinafter: Council Directive), were transposed to the local laws by the Act CXCI of 2015.

The new regime prescribes a number of new obligations both for financial institutions and for their customers.

The purpose of the Agreement between the signatory countries and the Council Directive is to ensure that each country receive information about their tax residents and such persons pay the taxes specified by the countries in respect of their financial assets that are held outside the tax resident country.

Under Article 288/D. of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, Citibank informs you of the following:

- (a) For new accounts opened on or after 1 January 2016, Citibank is obliged to check the account holder's tax residency status. The same tax residency status check is applied to Citibank in cases of pre-existing accounts with account balances are or exceed USD 250,000 as of 31 December 2015. The aim of the tax residency status check is to determine whether the account holder (in the cases defined in the act, besides the account holder's status, the check may also include a check of the status of the Controlling Persons of Entities) is resident in the countries party to the Agreement for tax purposes. In cases of new accounts the basis for the tax residency status check is a separate form, which must be completed by the account holder and the Controlling Persons of Entities, if any.
- (b) Under Articles 43/H. and 43/I. of Act XXXVII of 2013 on the rules of international public administration cooperation related to taxes and other public duties, by the day of 30 June of the year following the tax year, Citibank is required to report to the Hungarian State Tax Authority (NAV) about the accounts maintained by reportable persons defined as such and having tax residency in EU member states and/or in signatory countries to the Agreement. The reporting obligation covers – among others – the provision of the following information:
 - a. the name, address and taxpayer identification number (TIN), if any of the reportable account owner and reportable Controlling Person, if any;
 - b. the data of the given account(s);
 - c. the balance of the given account;
 - d. the total gross amount of interest, dividend paid or credited;
 - e. in specified cases, the gross amount of debits and credits.
- (c) The information reported by Citibank to NAV will be forwarded to the relevant tax authorities of the EU member states and/or signatory countries to the Agreement as part of the automatic exchange of information.

Further information on CRS/DAC-2, is available in English on the following site: https://www.citi.com/tts/sa/taxinitiatives/docs/CRS_FAQ.pdf.

We inform you that in case your tax residence changes, you are obliged to report the changes in your personal data within 30 (thirty) working days to Citibank. The Bank hereby excludes its liability for damage arising from the lack of notification about the above mentioned obligation.

CITIBANK EUROPE PLC MAGYARORSZÁGI FIÓKTELEPE