

## Legal person (entity)

When opening an account the client completes a tax residence declaration and states their tax identification number.

- The client's tax residence is in the same country as its registered office, the bank will require only standard documents to provide the banking product, including a tax residence declaration and the tax identification number.
- The client's tax residence is in a country other than its registered office, the bank may require additional documents confirming the client's tax residence (e.g. a tax residence certificate) in addition to the standard documents to provide the banking product. If the bank does not have sufficient information to assess the tax residence it shall request that the client provide evidence to support the necessary information.

The bank will require an explanation of the difference between the country of tax residence and that of the registered office, or other facts indicating that the client may be a tax resident of a country other than stated. In such a case the client must submit a tax residence declaration.

### How do you know whether you are an active or a passive entity?

The main difference between a client who is an active or a passive entity is the type of activity that the client conducts and whether the nature of the client's income is active (manufacture, services, etc.) or passive (rent, dividends, or interest payments).

#### Basic definition of passive entities

- The entity's revenues from financing activities (as reported in the profit and loss account) accounted for more than 50% of the entity's total revenues.
- The entity primarily owns real estate and leases more than 50% of it.
- The entity primarily owns interests in other entities, more than 50% of its total gross income is attributable to dividends, license fees and royalties, interest payments or bonds.

The entity's activities are a combination of the foregoing passive activities, i.e. more than 50% of its total gross income is attributable to the lease of buildings, space, apartments, storage space, etc., dividends, bonds, interest payments, license fees or royalties.

#### Examples of types of activities of a passive non-financial entity

- A holding company
- A trust, fund or similar financial entity
- Lease of own or rented real estate
- Pubs with gaming machines, casinos and betting offices