Are the trustees resident in Jurisdiction X?

- Yes: Does the trust have ‘exempt beneficial owner status’ under Annex II of the IGA?
  - Yes: The trust does not need to register or report.
  - No: The trust must consider its status under the FATCA regulations applicable to its tax residence.

- No: Is the trust carrying on business and is more than 50% of the trust’s gross income attributable to trading in money market instruments, portfolio management or the investment and administration of funds?
  - Yes: The trust is a Financial Institution.
  - No: Is more than 50% of the trust’s income attributable to investing, reinvesting or trading in financial assets?
    - Yes: The trust can become an ‘Owner Documented Financial Institution’.
    - No: The trust is a Non-Financial Foreign Entity (NFFE).

The trust does not need to register or report.

The trust must determine if it is an active or passive NFFE.

Does the trust have a reporting Financial Institution as trustee (i.e. typically a corporate trustee)?

- Yes: The trust is a ‘Trustee Documented Trust’.
- No: The trustee must register and report on the trust.

Either / Or

The trust does not need to register or report.

The trust can register and report directly. If preferred it can appoint a third party to fulfill its reporting obligations.

The trust can become a ‘Sponsored Investment Entity’.

The trust must appoint a ‘Designated Withholding Agent’.

The trust must provide the Designated Withholding Agent with all necessary information.

The sponsor must register the trust as a sponsored entity if there are reportable accounts.

Sponsoring investment entity must undertake all FATCA compliance.

Option of providing auditor’s letter stating that the trust meets all requirements.

The trust can become a ‘Sponsored Closely Held Investment Vehicle’.

Sponsor will need to register as a sponsoring entity but need not register the trust.

Only available if 20 or fewer individuals own all debt or equity interests.

The sponsor will need to undertake all FATCA compliance.

The trust does not need to register or report.

The trust does not need to register or report.

The trustee must register and report on the trust.

The trust can become a ‘Sponsored Closely Held Investment Vehicle’.

Sponsor must undertake all FATCA compliance.

*This guidance has been prepared with the information to hand as of end August 2014.
This guidance is relevant for all UK trusts and trustees, whether or not they have any known US connections.