



FATCA Reporting & Compliance Policy

1. Legal Framework

Cypriot Financial Institutions are required to comply with FATCA. The objective of FATCA is to implement mechanisms designed to prevent the avoidance of taxation on income derived by US persons outside the US.

The definition of US persons is broad and includes:

- A U.S. citizen (including dual citizen)
- A U.S. resident alien for tax purposes
- A domestic partnership
- A domestic corporation
- Any estate other than a foreign estate
- Any trust if:
 - A court within the United States is able to exercise primary supervision over the administration of the trust, and
 - One or more United States persons have the authority to control all substantial decisions of the trust
 - Any other person that is not a foreign person.

Substantial US ownership (US person owns more than 10% of the shares of a corporation [vote or value] or of a partnership or of a trust) is also required to comply with FATCA.

1.1 Identification and Reporting information

The information to be obtained and exchanged with respect to each of a U.S. Reportable Account maintained by the Company is:

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-U.S. Entity that is identified as having one or more Controlling Persons that is a Specified U.S. Person, the name, address, and U.S. TIN (if any) of such entity and each such Specified U.S. Person;
2. the account number (or functional equivalent);
3. the name and identifying/registration number of the Company (or functional equivalent);
4. the account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year, immediately before closure;
5. in the case of any Custodian Account:
 - a) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and

- b) the total gross proceeds from the sale or redemption of property paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Company acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
6. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
7. in the case of any account not described in subparagraph (5) or (6) of this paragraph, the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Company is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

1.2 Existing Accounts Procedures

1.2.1 Preexisting Individual Accounts Procedures

A. Review Procedures for Preexisting Individual Accounts With a Balance or Value as of June 30th, 2014, that Exceeds \$50,000, But Does Not Exceed \$1,000,000 ("Lower Value Accounts")

For accounts with a Balance or Value as of June 30th 2014, that is below the threshold stated above there is no need for review, identification and reporting.

1. Electronic Record Search.

The Company shall review electronically searchable data available for any of the following U.S. indicia:

- a) Identification of the Account Holder as a U.S. citizen or resident;
 - b) Unambiguous indication of a U.S. place of birth;
 - c) Current U.S. mailing or residence address (including a U.S. post office box or U.S. "in-care-of" address);
 - d) Current U.S. telephone number;
 - e) Standing instructions to transfer funds to an account maintained in the United States;
 - f) Currently effective power of attorney or signatory authority granted to a person with a U.S. address; or
 - g) An "in-care-of" or "hold mail" address that is the *sole* address for the Account Holder. In the case of a Preexisting Individual Account that is a Lower Value Account, an "in-care-of" address outside the United States is not be treated as U.S. indicia.
2. If none of the U.S. indicia listed in the above section are discovered in the electronic search, then no further action is required until there is a change in circumstances.
 3. If any of the U.S. indicia are discovered in the electronic search, then the Company treats the account as a U.S. Reportable Account

B. Additional and Monitoring Procedures Applicable to Preexisting Individual Accounts That Are Lower Value Accounts

1. The Company review for Preexisting Individual Accounts that are Lower Value Accounts for U.S. indicia will be completed by June 30, 2016.

2. The Company reviews on a quarterly basis if there is a change of circumstances with respect to a Preexisting Individual Account that is a Lower Value Account that results in one or more U.S. indicia being associated with the account, the account is treated as a U.S. Reportable Account.
3. Except for Depository Accounts, any Preexisting Individual Account that has been identified as a U.S. Reportable Account is treated as a U.S. Reportable Account in all subsequent years, unless the Account Holder ceases to be a Specified U.S. Person.

C. Enhanced Review Procedures for Preexisting Individual Accounts With a Balance or Value That Exceeds \$1,000,000 as of June 30 2014, or December 31 of 2015 or Any Subsequent Year (“High-Value Accounts”)

1. Electronic Record Search

The Company shall review electronically searchable data available for any U.S. indicia.

2. Paper Record Search

If the electronic databases do not capture all of this information, then with respect to High Value Accounts, the Company shall review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Company within the last five years for any of the U.S. indicia:

- a) the most recent documentary evidence collected with respect to the account;
- b) the most recent account opening contract or documentation;
- c) the most recent documentation obtained 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.

The Company does not perform the paper record search if the Company’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;
- c) the Account Holder’s telephone number(s) currently on file, if any, with the Company;
- d) whether there are standing instructions to transfer funds in the account to another account (including an account at another branch 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 Company treats as U.S. Reportable Accounts any High Value Accounts assigned to a relationship manager (including any accounts aggregated with such account) if the relationship manager has actual knowledge that the Account Holder is a Specified U.S. Person.

D. Additional Procedures Applicable to High Value Accounts

1. If a Preexisting Individual Account is a High Value Account as of June 30, 2014, the Company completes the enhanced review procedures with respect to such account by June 30, 2015. If based on this review such account is identified as a U.S. Reportable Account, the Company must report the required information about such account with respect to 2014 in the first report on the account. For all subsequent years, information about the account are reported on an annual basis.
2. If a Preexisting Individual Account is not a High Value Account as of June 30, 2014, but becomes a High Value Account as of the last day of a subsequent calendar year, the Company completes the enhanced review procedures with respect to such account within six months after the last day of the calendar year in which the account becomes a High Value Account.
3. Once a Company applies the enhanced review procedures set forth above to a High Value Account, the Company is not required to re-apply such procedures, other than the relationship manager inquiry, to the same High Value Account in any subsequent year.
4. The Company implements procedures to ensure that a relationship manager identifies any change in circumstances of an account.

1.2.2 Preexisting Entity Accounts Procedures

A. Entity Accounts Subject to Review.

Preexisting Entity Accounts that have an account balance or value that exceeds \$250,000 as of June 30, 2014, and Preexisting Entity Accounts that initially do not exceed \$250,000 but the account balance of which later exceeds \$1,000,000 are reviewed in accordance with the procedures set forth.

B. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting is Required.

For Preexisting Entity Accounts, the Company applies the following review procedures to determine whether the account is held by one or more Specified U.S. Persons, by Passive Non-Financial Foreign Entities (hereafter "NFFEs") with one or more Controlling Persons who are U.S. citizens or residents, or by a Nonparticipating Financial Institution:

1. Determining Whether the Entity is a Specified U.S. Person

- a) The Company Reviews information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Entity Account Holder is a U.S. Person. For this purpose, information indicating that the entity 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 Entity Account Holder is a U.S. Person, the Company treats the account as a U.S. Reportable Account unless it obtains a self-certification from the Account Holder, 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. Determining Whether a Non-U.S. Entity is a Financial Institution

- a) The Company reviews information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Entity Account Holder based on the U.S. indicia is a Financial Institution.
- b) If the information indicates that the accounts holder is a Financial Institution, or the Reporting Financial Institution verifies the Account Holder's GIIN on the published IRS FFI list, then the account is not a U.S. Reportable Account.

3. Determining Whether a Financial Institution is a Nonparticipating Financial Institution Payments to Which Are Subject to Aggregate Reporting

- a) If the Company determines that the Account Holder is a Cyprus Financial Institution or other Partner Jurisdiction Financial Institution and reasonably determines that the account holder has such status on the basis of the account holder's GIIN on the published IRS FFI list or other information that is publicly available or in the possession of the Company, then no further review, identification, or reporting is required with respect to the account.
- b) A Cyprus Financial Institution or other Partner Jurisdiction Financial Institution shall be treated as a Nonparticipating Financial Institution if it is identified as such by the IRS.
- c) If the Account Holder is not a Cyprus Financial Institution or other Partner Jurisdiction Financial Institution, then the Company treats the entity as a Nonparticipating Financial Institution, unless the Company:
 - i. Obtains a self-certification (which may be on an IRS Form W-8 or similar agreed form) from the entity that it is a certified deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI, as those terms are defined in relevant U.S. Treasury Regulations; or
 - ii. In the case of a participating FFI or registered deemed-compliant FFI, verifies the entity's FATCA identifying number on a published IRS FFI list.

4. Determining Whether an Account Held by an NFFE Is a U.S. Reportable Account

With respect to an Account Holder of a Preexisting Entity Account that is not identified as either a U.S. Person or a Financial Institution, the Company identifies (i) whether the entity has Controlling Persons, (ii) whether the entity is a Passive NFFE, and (iii) whether any of the Controlling Persons of the entity is a citizen or resident of the United States.

- a) For purposes of determining the Controlling Persons of an entity, the Company relies on information collected and maintained pursuant to AML/KYC Procedures.
- b) For purposes of determining whether the entity is a Passive NFFE, the Company obtains 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 entity is an Active NFFE.
- c) For purposes of determining whether a Controlling Person of a Passive NFFE is a citizen or resident of the United States for tax purposes, the Company relies on:
 - i. 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 that does not exceed \$1,000,000; *or*
- ii. 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 that exceeds \$1,000,000.
- iii. If any Controlling Person of a Passive NFFE is a citizen or resident of the United States, the account shall be treated as a U.S. Reportable Account.

C. 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 will be completed by June 30, 2016.
2. Review of Preexisting Entity Accounts with a 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, will be completed within six months after the end of the calendar year in which the account balance exceeds \$1,000,000.
3. If there is a change of circumstances with respect to a Preexisting Entity Account that causes the Company to know or have reason to know that the self-certification or other documentation associated with an account is incorrect or unreliable, the Company predetermines the status of the account in accordance with the procedures.

1.3 New Account(s) Procedures

1.3.1 New Individual Accounts

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

A. New Individual Accounts

- a) With respect to New Individual Accounts, upon account opening the Company obtains a self-certification which may be part of the account opening documentation, that allows the Company to determine whether the Account Holder is resident in the United States for tax purposes and confirms the reasonableness of such self-certification based on the information obtained by the Company in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.
- b) If the self-certification establishes that the Account Holder is resident in the United States for tax purposes, the Company treats the account as a U.S. Reportable Account and obtains a self-certification that includes the Account Holder’s U.S. TIN.

1.3.2 New Entity Accounts

The following rules and procedures apply to accounts held by entities and opened on or after July 1, 2014 (“New Entity Accounts”).

1. The Company determines whether the Account Holder is:
 - (i) a Specified U.S. Person;
 - (ii) a FATCA Partner Financial Institution or other Partner Jurisdiction Financial Institution;
 - (iii) a participating FFI, a deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI, as those terms are defined in relevant U.S. Treasury Regulations; or

- (iv) an Active NFFE or Passive NFFE.
2. The Company determines that an Account Holder is an Active NFFE, a Cyprus Financial Institution, or other Partner Jurisdiction Financial Institution if the Company reasonably determines that the entity has such status on the basis of information that is publicly available or in the possession of the Company.
 3. In all other cases, the Company obtains a self-certification from the Account Holder to establish the Account Holder's status.
 - i. If the Entity Account Holder is *a Specified U.S. Person*, the Company treats the account as a U.S. Reportable Account.
 - ii. If the Entity Account Holder is *a Passive NFFE*, the Company identifies the Controlling Persons as determined under AML/KYC Procedures, and determines whether any such person is a U.S. citizen or resident on the basis of a self-certification from the Account Holder or such person. If any such person is a U.S. citizen or resident, the account is treated as a U.S. Reportable Account.
 - iii. If the Entity Account Holder is: (i) a U.S. Person that is not a Specified U.S. Person; (ii), the Company or other Partner Jurisdiction Financial Institution; (iii) a participating FFI, a deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI, 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.
 - iv. If the Entity Account Holder is a Nonparticipating Financial Institution (including a Cyprus Financial Institution or other Partner Jurisdiction Financial Institution that is identified 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.

1.4 Reporting Procedures

1.4.1 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, the Company aggregates all accounts maintained by the Company, or Related Entities, to the extent that the Company's computerized systems link the accounts by reference to a data element such as client number or taxpayer identification number, and allow account balances to be aggregated. Each holder of a jointly held account shall be attributed the entire balance or value of the jointly held account for purposes of applying the aggregation requirements described in this paragraph.

2. Aggregation of Entity Accounts

For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, the Company takes into account all accounts held by Entities that are maintained by the Company, or Related Entities, to the extent that the Company's computerised systems link the accounts by reference to a data element such as client number or taxpayer identification number and allow account balances to be aggregated.

3. Special Aggregation Rule Applicable to Relationship Managers

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For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether an account is a High Value Account, the Company requires, in the case of any accounts that a relationship manager knows or has reason to know are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

4. Currency Translation Rule

For purposes of determining the balance or value of Financial Accounts denominated in a currency other than the U.S. dollar, the Company converts the dollar threshold amounts described into such currency using a published spot rate. determined as of the last day of the calendar year preceding the year within which the Company is determining the balance or value.

1.5 Ongoing Monitoring of Compliance with FATCA Requirements

The Company has implemented procedures for the ongoing monitoring of compliance with FATCA requirements. The Company on a quarterly basis will review whether there is a change in the U.S. indicia of its clientele which might result in identifying U.S. Reportable persons, the classification and reporting of the account as lower or high. The Company will continuously be informed with regards to new updates which are incorporated in its procedures in a timely manner to reflect FATCA requirements.

Review of this Manual

This manual will be reviewed and/or amended annually and/or as and when considered necessary by the Board of Directors and the Compliance Officer.