

ARRANGEMENT BETWEEN THE COMPETENT AUTHORITY OF THE UNITED STATES OF AMERICA AND THE COMPETENT AUTHORITY OF THE FRENCH REPUBLIC REGARDING ADDITIONAL DEEMED-COMPLIANT FOREIGN FINANCIAL INSTITUTIONS AND ACCOUNTS EXCLUDED FROM FINANCIAL ACCOUNTS PURSUANT TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FRENCH REPUBLIC TO IMPROVE INTERNATIONAL TAX COMPLIANCE AND TO IMPLEMENT FATCA

On November 13, 2013, the Government of the United States of America and the Government of the French Republic signed an intergovernmental agreement entitled “Agreement between the Government of the United States of America and the Government of the French Republic to Improve International Tax Compliance and to Implement FATCA” (the “IGA”). The Competent Authority of the United States of America and the Competent Authority of the French Republic (the “Competent Authorities”) have reached the following arrangement (the “Arrangement”). Terms used in this Arrangement that are not defined herein have the same meanings as in the IGA.

1. The Competent Authorities intend to treat the entities described in subparagraphs A, B, and C of this paragraph 1 as Non-Reporting French Financial Institutions that are treated as deemed-compliant FFIs for purposes of section 1471 of the Internal Revenue Code of the United States of America.

A. Sponsored Investment Entity and Sponsored Controlled Foreign Corporation

A Financial Institution described in subparagraph A(1) or A(2) of this section having a sponsoring entity that complies with the requirements of subparagraph A(3) of this section.

1. A Financial Institution is a sponsored investment entity if (a) it is an Investment Entity established in France that is not a qualified intermediary, withholding foreign partnership, or withholding foreign trust pursuant to relevant U.S. Treasury Regulations; and (b) an Entity has agreed with the Financial Institution to act as a sponsoring entity for the Financial Institution.
2. A Financial Institution is a sponsored controlled foreign corporation if (a) the Financial Institution is a controlled foreign corporation¹ organized under the laws of France that is not a qualified intermediary, withholding foreign partnership, or withholding foreign trust pursuant to relevant U.S. Treasury Regulations; (b) the Financial Institution is wholly owned, directly or indirectly, by a Reporting U.S. Financial Institution that agrees to act, or requires an affiliate of the Financial Institution to act, as a sponsoring entity for the Financial Institution; and (c) the Financial Institution shares a common electronic account system with the sponsoring entity that enables the sponsoring entity to identify all Account Holders and payees of the Financial Institution and to access all account and customer information maintained by the Financial Institution including, but not limited to, customer identification information, customer documentation, account balance, and all payments made to the Account Holder or payee.
3. The sponsoring entity complies with the following requirements:
 - a) The sponsoring entity is authorized to act on behalf of the Financial Institution (such as a fund manager, trustee, corporate director, or managing partner) to fulfill applicable registration requirements on the IRS FATCA registration website;
 - b) The sponsoring entity has registered as a sponsoring entity with the IRS on the IRS FATCA registration website;
 - c) If the sponsoring entity identifies any U.S. Reportable Accounts with respect to the Financial Institution, the sponsoring entity registers the Financial Institution pursuant to applicable registration requirements on the IRS FATCA registration website on or before the date that is 90 days after such a U.S. Reportable Account is first identified;
 - d) The sponsoring entity agrees to perform, on behalf of the Financial Institution, all due diligence, withholding, reporting, and other requirements that the Financial Institution would have been required to perform if it were a Reporting French Financial Institution;
 - e) The sponsoring entity identifies the Financial Institution and includes the identifying number of the Financial Institution (obtained by following applicable registration requirements on the IRS FATCA registration website) in all reporting completed on the Financial Institution’s behalf; and
 - f) The sponsoring entity has not had its status as a sponsor revoked.

¹ A “controlled foreign corporation” means any foreign corporation if more than 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, or the total value of the stock of such corporation, is owned, or is considered as owned, by “United States shareholders” on any day during the taxable year of such foreign corporation. The term a “United States shareholder” means, with respect to any foreign corporation, a United States person who owns, or is considered as owning, 10 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation, or 10 percent or more of the total value of shares of all classes of stock of such foreign corporation.

B. Sponsored, Closely Held Investment Vehicle. A French Financial Institution satisfying the following requirements:

1. The Financial Institution is a Financial Institution solely because it is an Investment Entity and is not a qualified intermediary, withholding foreign partnership, or withholding foreign trust pursuant to relevant U.S. Treasury Regulations;
2. The sponsoring entity is a Reporting U.S. Financial Institution, Reporting Model 1 FFI², or Participating FFI³, is authorized to act on behalf of the Financial Institution (such as a professional manager, trustee, or managing partner), and agrees to perform, on behalf of the Financial Institution, all due diligence, withholding, reporting, and other requirements that the Financial Institution would have been required to perform if it were a Reporting French Financial Institution;
3. The Financial Institution does not hold itself out as an investment vehicle for unrelated parties;
4. Twenty or fewer individuals own all of the debt interests and Equity Interests in the Financial Institution (disregarding debt interests owned by Participating FFIs and deemed-compliant FFIs and Equity Interests owned by an Entity if that Entity owns 100 percent of the Equity Interests in the Financial Institution and is itself a sponsored Financial Institution described in this paragraph B); and
5. The sponsoring entity complies with the following requirements:
 - a) The sponsoring entity has registered as a sponsoring entity with the IRS on the IRS FATCA registration website;
 - b) The sponsoring entity agrees to perform, on behalf of the Financial Institution, all due diligence, withholding, reporting, and other requirements that the Financial Institution would have been required to perform if it were a Reporting French Financial Institution and retains documentation collected with respect to the Financial Institution for a period of six years;
 - c) The sponsoring entity identifies the Financial Institution in all reporting completed on the Financial Institution's behalf; and
 - d) The sponsoring entity has not had its status as a sponsor revoked.

C. French Investment Advisors and Investment Managers.

An Investment Entity established in France that is a Financial Institution solely because it (1) renders investment advice to, and acts on behalf of, or (2) manages portfolios for, and acts on behalf of, a customer for the purposes of investing, managing, or administering funds deposited in the name of the customer with a Financial Institution other than a Nonparticipating Financial Institution.

2. The Competent Authorities intend to treat the following accounts and products described in this paragraph 2, established in France and maintained by a French Financial Institution, as excluded from the definition of Financial Accounts and therefore not as U.S. Reportable Accounts:
 - Products called “plan d'épargne retraite individuel”, “plan d'épargne retraite d'entreprise collectif”, “plan d'épargne retraite obligatoire”.
3. The Competent Authority of France intends to update the guidance issued by Direction Générale des Finances Publiques to incorporate the requirements for Sponsored Investment Entities and Controlled Foreign Corporations and Sponsored, Closely Held Investment Vehicles, and French Investment Advisors and Investment Managers described in paragraph 1 of this Arrangement.
4. If an entity has met the requirements of an entity in a “sponsoring regime” or an entity that is an investment advisor or manager described in Direction Générale des Finances Publiques' guidance, including the requirements in the U.S. Treasury regulations incorporated into such guidance (if applicable), at all relevant times prior to the date of this Arrangement, the Competent Authority of

² The term Reporting Model 1 FFI means a Financial Institution with respect to which a non-U.S. government or agency thereof agrees to obtain and exchange information pursuant to a Model 1 IGA, other than a Financial Institution treated as a Nonparticipating Financial Institution under the Model 1 IGA. For purposes of this definition, the term Model 1 IGA means an arrangement between the United States or the Treasury Department and a non-U.S. government or one or more agencies thereof to implement FATCA through reporting by Financial Institutions to such non-U.S. government or agency thereof, followed by automatic exchange of such reported information with the IRS.

³ The term Participating FFI means a Financial Institution that has agreed to comply with the requirements of an FFI Agreement, including a Financial Institution described in a Model 2 IGA that has agreed to comply with the requirements of an FFI Agreement. The term Participating FFI also includes a qualified intermediary branch of a Reporting U.S. Financial Institution, unless such branch is a Reporting Model 1 FFI. For purposes of this definition, the term FFI Agreement means an agreement that sets forth the requirements for a Financial Institution to be treated as complying with the requirements of section 1471(b) of the U.S. Internal Revenue Code. In addition, for purposes of this definition, the term Model 2 IGA means an arrangement between the United States or the Treasury Department and a non-U.S. government or one or more agencies thereof to facilitate the implementation of FATCA through reporting by Financial Institutions directly to the IRS in accordance with the requirements of an FFI Agreement, supplemented by the exchange of information between such non-U.S. government or agency thereof and the IRS.

the United States of America does not intend to determine that such entity is a Reporting French Financial Institution that is in significant non-compliance with the IGA. For the avoidance of doubt, an entity has met the requirements described in the preceding sentence if, at all relevant times prior to the date of this Arrangement, it is an entity that is eligible to be a sponsored investment entity, sponsored controlled foreign corporation, sponsored, closely held investment vehicle or French Investment Advisors and Investment Managers under the U.S. Treasury regulations; the sponsoring entity performed, on behalf of the sponsored entity, all the due diligence, reporting, and other obligations that the sponsored entity would have been required to perform if it were a Reporting French Financial Institution; and the sponsored entity (if applicable) and the sponsoring entity registered with the IRS.

Signed in the English and French languages, both texts being equally authentic.

For the Competent Authority of the United States of
America :

For the Competent Authority of the French
Republic :

Holly O. Paz
Commissioner Large Business &
International, Internal Revenue Service

Bruno Mauchauffée
Adjoint au directeur de la Législation Fiscale
Direction générale des finances publiques

Date

Date

Place

Place