

## **Declaration of Understanding**

### **Regarding the Agreement between the United States of America and the Slovak Republic to Improve International Tax Compliance and to Implement FATCA**

At the signing today of the Agreement between the United States of America and the Slovak Republic to Improve International Tax Compliance and to Implement FATCA (hereinafter the “Agreement”), the representatives of the United States of America and the Slovak Republic wish to confirm their understanding of the following:

#### **With reference to paragraph 7 of Article 3 (Time and Manner of Exchange of Information) of the Agreement**

It is understood that paragraph 1 sentences 3 through 5 of Article 27 of the Convention between the United States and the Slovak Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, done at Bratislava on October 8, 1993, applies to all information exchanged under the Agreement and sentence 5 of that paragraph applies accordingly for all persons or authorities in case the exchanged information is disclosed in public court proceedings or in judicial decisions.

#### **With reference to paragraph 1 of Article 10 (Term of Agreement) of the Agreement**

The United States understands that the Slovak Republic plans to present the Agreement to its parliament for its approval together with draft legislation that is to implement the provisions of the Agreement with the goal of having the Agreement and the legislation enter into force not later than September 30, 2015. Based on this understanding, as of the date of signature of the Agreement, the United States Department of the Treasury intends to treat each Slovak Financial Institution, as that term is defined in the Agreement, as complying with, and not subject to withholding under section 1471 of the U.S. Internal Revenue Code during such time as the Slovak Republic is pursuing the necessary internal procedures for entry into force of the Agreement. The United States further understands that the Slovak Republic’s Ministry of Finance intends to contact the United States Department of the Treasury as soon as it is aware that there might be a delay in the Slovak internal approval process for entry into force of the Agreement such that the Slovak Republic would not be able to provide its notification under paragraph 1 of Article 10 of the Agreement prior to September 30, 2015. If upon consultation with the Slovak Republic, the United States Department of the Treasury receives credible assurances that such a delay is likely to be resolved in a reasonable period of time, the United States Department of the Treasury may decide to continue to apply FATCA to Slovak Financial Institutions in the manner described above as long as the United States Department of the

Treasury assesses that the Slovak Republic is likely to be able to send its notification under paragraph 1 of Article 10 by September 30, 2016. It is understood that should the Agreement enter into force after September 30, 2015, any information that would have been reportable under the Agreement thereafter (and prior to its entry into force) had the Agreement been in force by September 30, 2015, is owed on the next September 30 following the date of entry into force.

**With reference to Subparagraph 1(c) of Article 4 of the Agreement**

It is understood that the Slovak Republic intends for Slovak Financial Institutions to comply with the registration requirements applicable to Financial Institutions in Partner Jurisdictions by registering with the Internal Revenue Service and obtaining a Global Intermediary Identification Number (“GIIN”) from the Internal Revenue Service.

**With reference to Subparagraph 2(a)(3) of Article 2 of the Agreement**

It is further understood that the Slovak Republic intends for each Reporting Slovak Financial Institution to use a GIIN issued by the Internal Revenue Service as the identifying number referenced in Subparagraph 2(a)(3) of Article 2 of the Agreement.

**With reference to Registration Requirements in Annex II**

It is understood that the Slovak Republic intends for Slovak Financial Institutions described in Annex II to comply with the registration requirements applicable to Financial Institutions in Partner Jurisdictions by registering with the Internal Revenue Service and obtaining a Global Intermediary Identification Number (“GIIN”) from the Internal Revenue Service.

**With reference to Central Securities Depositories**

It is understood that, in the case of securities registered in a Central Securities Depository of the Slovak Republic acting according to the Act No. 566/2001 Coll. on Securities and Investment services that are held by or through one or more other Financial Institutions that are not Nonparticipating Financial Institutions, the relevant Financial Accounts are to be treated as held by such other Financial Institutions, and such other Financial Institutions are to be responsible for any reporting required with respect to such Financial Accounts. In accordance with paragraph 3 of Article 5 of the Agreement, the Central Securities Depository of the Slovak Republic may report on behalf of such other Financial Institutions.

**With reference to VI.B.4(j) of Annex I**

It is understood that Foundations (as non-profit organizations) according to the Act No. 34/2002 Coll. on Foundations and amending the Civil Order as later amended are described by Section VI.B.4(j) of Annex I.

Signed at Bratislava in duplicate, in the English and Slovak languages, this 31 day of July, 2015.

FOR THE UNITED STATES  
OF AMERICA:



FOR THE SLOVAK  
REPUBLIC:

