

AGREEMENT BETWEEN THE COMPETENT AUTHORITY OF SWITZERLAND AND
THE COMPETENT AUTHORITY OF THE UNITED STATES OF AMERICA TO UPDATE
ANNEX II OF THE AGREEMENT BETWEEN SWITZERLAND AND THE UNITED
STATES OF AMERICA FOR COOPERATION TO FACILITATE THE IMPLEMENTATION
OF FATCA

Under Annex II of the Agreement between Switzerland and the United States of America for Cooperation to Facilitate the Implementation of FATCA, done at Bern on February 14, 2013, as supplemented by the exchanges of notes on March 21 and 27, 2013, as amended by the exchange of notes of September 6 and 9, 2013, and as corrected by the exchange of notes of June 10, 2013 and May 21, 2014, and the exchange of notes of September 25, 2014 and January 7, 2015 (the "Agreement"), and noting the letter sent by the United States of America to Switzerland pursuant to Article 12 of the Agreement dated March 27, 2015, the Competent Authority of Switzerland and the Competent Authority of the United States of America hereby enter into an agreement to update Annex II to include the following additional products in a new subsection "C" under Section III. Exempt Products that present a low risk of being used by U.S. Persons to evade U.S. tax and that have similar characteristics to the entities, accounts, and products identified in Annex II as of the date of entry into force of the Agreement:

"C. Accounts held by Lawyers or Notaries

A Depository Account or Custodial Account held by a lawyer or notary licensed in Switzerland, or by a firm of lawyers or notaries licensed in Switzerland that are organized in the form of a company, on behalf of one or more clients as the beneficial owners of the assets deposited, provided that

1. such an account and the assets deposited are exclusively maintained within the framework of the lawyer or notary's profession-specific activities (and not in the capacity as a financial intermediary) subject to lawyer or notary professional confidentiality under Swiss law;
2. only the following assets are deposited in the account:
 - a. Client funds, including short-term deposit of advances on legal costs, security, fees owed under public law, as well as of payments to or from governmental authorities, counterparties, or third parties in connection with a legal matter;
 - b. Assets related to a pending partition of inheritance or execution of a will (e.g., inheritance account);
 - c. Assets related to a pending separation of property in the divorce or separation of marriage (e.g., separation of marital property account);
 - d. Security or collateral provided in connection with the sale, exchange, or lease of real or personal property, provided that the assets meet the following conditions:
 - i. The assets are funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation of one of the parties directly related to the transaction, or a similar payment, or with a financial asset that is deposited in the account in connection with the sale, exchange, or lease of the property;

- ii. The assets are used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;
 - iii. The assets, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates; and
 - iv. The assets do not relate to the use of a margin or similar account established in connection with a sale or exchange of a financial asset.
 - e. Assets used to cover the cost of matters of civil and public law before ordinary courts or courts of arbitration and in execution proceedings;
3. the assets are deposited only for the duration of the ongoing legal matters described above to which they relate; and
4. the lawyer or notary licensed in Switzerland, or the firm of lawyers or notaries licensed in Switzerland that is organized in the form of a company, has made a written declaration that explicitly addresses each of the three foregoing requirements, and states that the lawyer or notary licensed in Switzerland, or the firm of lawyers or notaries licensed in Switzerland that is organized in the form of a company, will inform the Financial Institution of any change in circumstances.”

The Competent Authority of Switzerland has informed the Competent Authority of the United States of America that it is a criminal offense according to Art. 251 of the Swiss Criminal Code deliberately to provide false information in such a written declaration.

SIGNED at Bern the 19th day of February, 2016, and at Washington D.C. the 29th day of February 2016, in duplicate, in the German and English languages, both language texts being equally authentic.

FOR THE COMPETENT AUTHORITY OF
SWITZERLAND:

C. Schelling

FOR THE COMPETENT AUTHORITY OF
THE UNITED STATES OF AMERICA:

R. Stack