

CFTC Issues Final Rules on Cross-Border Uncleared Swap Margin Requirements

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The CFTC has combined an entity-level approach with a transaction-level approach in its final cross-border uncleared swap margin requirements.

Introduction

On December 16, 2015, the Commodity Futures Trading Commission (the “CFTC”) released final rules and accompanying interpretive guidance setting out the CFTC’s initial and variation margin requirements applicable to uncleared swaps (“CFTC Final Margin Rules”).¹

On May 24, 2016, the CFTC released final rules and accompanying interpretative guidance setting forth the application of the CFTC Final Margin Rules to cross-border swap transactions (the “CFTC Final Cross-Border Margin Rules”).²

This Client Alert outlines the important concepts and consequences of the CFTC Final Cross-Border Margin Rules, including the application of the CFTC Final Margin Rules to cross-border swap transactions as well as the CFTC’s approach to substituted compliance determinations.

For information on the final margin rules for uncleared swaps of the CFTC and the Prudential Regulators³ (including the cross-border rules of the Prudential Regulators), please see our client alert available [here](#).

Background

One of the key regulatory reforms contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act was to require each registered Swap Dealer (“SD”) and Major Swap Participant (“MSP”) that enters into swaps that are not subject to the mandatory clearing requirements of the US Commodity Exchange Act to exchange both initial and variation margin with its counterparties to those uncleared swaps (subject to certain exceptions) with the aim of protecting SDs and MSPs from the risks arising from uncleared swaps and to also protect the US financial system.

SDs and MSPs that are subject to regulation by a Prudential Regulator will be required to satisfy the uncleared swap margin requirements set out by that Prudential Regulator, whilst all other SDs and MSPs will

¹ Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants, 81 FR 635 (January 6, 2016), available at <https://federalregister.gov/a/2015-32320>.

² Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants—Cross-Border Application of the Margin Requirements, 81 FR 34817 (May 31, 2016), available at <https://federalregister.gov/a/2016-12612>. For information on the CFTC’s proposed cross-border rule for uncleared swaps please refer to our client alert available [here](#).

³ The five Prudential Regulators are the Federal Deposit Insurance Corporation, the Department of the Treasury (the Office of the Comptroller of the Currency), the Board of Governors of the Federal Reserve System, the Farm Credit Administration and the Federal Housing Finance Agency.

be subject to the CFTC Final Margin Rules. A registered SD or MSP that is not regulated by a Prudential Regulator and therefore subject to the CFTC Final Margin Rules and the CFTC Final Cross-Border Margin Rules is referred to as a “covered swap entity” or “CSE”. Each use of the term “**CSE**” herein refers only to registered SDs and MSPs subject to the CFTC Final Margin Rules and the CFTC Final Cross-Border Margin Rules.⁴ The SEC is expected to adopt its own initial and variation margin rules applicable to Security-Based Swap Dealers and Major Security-Based Swap Participants.

The CFTC Final Cross-Border Margin Rules are largely the same as those previously proposed but with some modifications, including amendments to align these rules with the cross-border uncleared swap margin rules already adopted by the Prudential Regulators.

CFTC’s approach

The CFTC Final Cross-Border Margin Rules combine an entity-level and transaction-level approach. In general, each CSE would be required to comply with the CFTC Final Margin Rules (i.e., an entity-level approach). This would be the case, irrespective of the domicile of the counterparties or where the trade is executed as collecting margin from counterparties protects an entity from that counterparty’s default. The entity-level approach is predicated on the reality that counterparty credit risk is not confined to swaps with US counterparties. However, the CFTC has recognized that certain swaps may implicate supervisory interests of other regulators and it is therefore important to calibrate cross-border swap margin requirements. As a result, the CFTC Final Cross-Border Margin Rules provide that certain uncleared swaps may be eligible for substituted compliance or excluded altogether from such requirements (i.e., a transaction-level approach).

Entity classification

Under the CFTC Final Cross-Border Margin Rules, how the CFTC Final Margin Rules would apply to a particular CSE will depend on that entity’s classification as well as the classifications of its counterparties. The relevant classifications are:

- US person;
- Non-US person guaranteed by a US person;
- US branch of a non-US person; and
- Foreign Consolidated Subsidiary.

Determining whether an entity falls within one of the above classifications will be a matter of applying the three key definitions set out in the CFTC Final Cross-Border Margin Rules, being “US person”, “Guarantee” and “Foreign Consolidated Subsidiary”. The definitions of these terms and their applicability to the entity classifications are described below.

US person

In applying the CFTC Final Cross-Border Margin Rules, one must first determine whether either of the counterparties to an uncleared swap is a “US person”. The following definition of a “US person” applies only for purposes of the CFTC Final Cross-Border Margin Rules and differs from the US person definitions used by both the CFTC in the CFTC’s cross-border guidance⁵ (the “**CFTC Cross-Border Guidance**”) and the Securities and Exchange Commission (“**SEC**”) in its cross-border rule⁶ (the “**SEC Cross-Border Rule**”). The CFTC noted that the below definition is similar to the SEC’s “US person” definition. We have set out in an Appendix a table comparing each of these “US person” definitions.

⁴ For information on the final margin rules for uncleared swaps of the CFTC and the Prudential Regulators, please see our client alert on these rules available [here](#).

⁵ Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, 78 FR 45291 (July 26, 2013), available [here](#). For further information on the CFTC’s Cross-Border Guidance please refer to our client alert available [here](#).

⁶ Application of “Security-Based Swap Dealer” and “Major Security-Based Swap Participant” Definitions to Cross-Border Security-Based Swap Activities, Release No. 72472 (June 25, 2014), 79 FR 47277 (August 12, 2014 (republication)), available [here](#).

The definition of “US person” for the purposes of the CFTC Final Cross-Border Margin Rules is as follows:⁷

- (i) Any natural person who is a resident of the United States;
- (ii) Any estate of a decedent who was a resident of the United States at the time of death;
- (iii) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of entity similar to any of the foregoing (other than an entity described in subparagraph (iv) or (v)) (a legal entity), in each case that is organized or incorporated under the laws of the United States or having its principal place of business in the United States, including any branch of the legal entity;
- (iv) Any pension plan for the employees, officers or principals of a legal entity described in subparagraph (iii), unless the pension plan is primarily for foreign employees of such entity;
- (v) Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (vi) Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) owned by one or more persons described in subparagraph (i), (ii), (iii), (iv) or (v) who bear(s) unlimited responsibility for the obligations and liabilities of the legal entity, including any branch of the legal entity; and
- (vii) Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in subparagraph (i), (ii), (iii), (iv), (v) or (vi).

The CFTC provided the following guidance on certain aspects of the “US person” definition:

Branches and Affiliates Prong (iii) As a legal person’s status is determined at the entity level, any foreign operations that are part of the legal person (i.e., a foreign branch), regardless of their location, are part of that legal person.

However, an affiliate or a subsidiary of a US person that is separately organized or incorporated in a non-US jurisdiction would not be deemed a US person solely by virtue of its being affiliated with a US person.

Principal Place of Business Prong (iii) The CFTC will interpret the phrase “principal place of business” to mean the location from which the officers, partners or managers of the legal person primarily direct, contract and coordinate the activities of the legal person.⁸

With respect to funds, the CFTC generally considers the principal place of business of a fund to be in the United States if the senior personnel responsible for either (i) the formation and promotion of the fund or (ii) the implementation of the fund’s investment strategy are located in the United States, depending on the facts and circumstances that are relevant to determining the center of direction, control and coordination of the fund. This is consistent with the CFTC Cross-Border Guidance.

⁷ Unlike the “US person” definition in the CFTC Cross-Border Guidance, the definition in the CFTC Final Cross-Border Margin Rule is an exhaustive definition. That is, it does not include the prefatory phrase “includes, but is not limited to”. Including an exhaustive definition is consistent with the SEC’s approach to defining of US person in the SEC Cross-Border Rule.

⁸ The CFTC considers this interpretation to be consistent with the US Supreme Court’s decision in *Hertz Corp v. Friend* 559 US 77, 80 (2010).

Collective Investment Vehicle Prong (iii)

The “US person” definition in the CFTC Cross-Border Guidance included a collective investment vehicle prong which sought to capture US majority owned funds. This prong includes an exception for funds that are publicly offered to non-US person and not offered to US persons.

The collective investment prong has not been included in the above “US person” definition, although such a fund may still be captured by prong (iii) of that definition. The CFTC has clarified that, for the purposes of prong (iii) of the above definition, whether a pool, fund or other collective investment vehicle is publicly offered only to non-US person and not offered to US persons would not be relevant in applying this prong.

Unlimited Responsibility Prong (vi)

Consistent with the CFTC Cross-Border Guidance, the CFTC does not view the unlimited US responsibility prong as equivalent to a US guarantee (see the section entitled “Guaranteed by a US person” below).

The CFTC will permit a party to reasonably rely on its counterparty’s written representation in determining whether or not such counterparty is a US person, absent any indications to the contrary.

Guaranteed by a US person

The next step in the analysis is to determine whether either of the counterparties to an uncleared swap is a non-US person whose obligations under that swap are guaranteed by a US person. The definition of “guarantee” under the CFTC Final Cross-Border Margin Rules is an arrangement pursuant to which a party to an uncleared swap transaction with a counterparty that is a non-US person has a legally enforceable right of recourse (whether conditional or unconditional) against at least one US person (irrespective of any affiliation with the counterparty) with respect to the counterparty’s obligations under the uncleared swap transaction. A party has a right of recourse even if such right is conditional upon its counterparty’s insolvency or failure to meet its obligations under the swap, and regardless of whether the party seeking to enforce the guarantee is first required to make a demand for payment or performance from its counterparty before proceeding to the guarantor. The definition of “guarantee” also includes any arrangement pursuant to which a non-US guarantor itself has a conditional or unconditional legally enforceable right to receive or otherwise collect, in whole or in part, payments from a different US guarantor with respect to the counterparty’s obligations.

Unlike the definition of guarantee in the CFTC Cross-Border Guidance, the definition of guarantee under the CFTC Final Cross-Border Margin Rules generally only includes traditional guarantees and not other types of arrangements such as keepwells and certain indemnity agreements. It is the CFTC’s view that counterparty’s benefiting from other forms of US financial support will likely meet the definition of Financial Consolidated Subsidiary (see the section entitled “Financial Consolidated Subsidiary” below).

The CFTC will permit a party to reasonably rely on its counterparty’s written representation in determining whether or not such counterparty is guaranteed by a US person, absent any indications to the contrary.

US branch of a non-US person

The CFTC Final Cross-Border Margin Rules distinguish between a non-US person executing a swap through its US branch and executing that same swap outside the United States. A non-US person executing a swap outside of the United States may, in certain limited circumstances, be excluded from the CFTC Final Cross-Border Margin Rules. However, that same non-US person would not be eligible for the exclusion if the swap was instead executed through or by its US branch. The CFTC’s reasoning for making this distinction is that it is consistent with the approach taken by the Prudential Regulators in their final cross-border swap margin rules and, in addition, such a distinction levels the playing field in the United States ensuring that non-US CSEs transacting through their US branches do not have a competitive advantage over US CSEs.

Foreign Consolidated Subsidiary

The final step is to determine whether either party to the swap is a “Foreign Consolidated Subsidiary”. This term captures any CSE that is not a US person in which an ultimate parent entity that is a US person has a controlling interest, in accordance with US GAAP, such that the ultimate parent entity includes the non-US CSE’s operating results, financial position and statement of cash flows in its consolidated financial statements,

in accordance with US GAAP. A party that is not a CSE cannot be a Financial Consolidated Subsidiary, even if it is consolidated with a US ultimate parent entity.

The CFTC will permit a party to reasonably rely on its counterparty’s written representation in determining whether or not such counterparty is a Financial Consolidated Subsidiary, absent any indications to the contrary.

Application of the CFTC Final Margin Rules

As mentioned above, the classifications of the counterparties to a particular uncleared swap will determine the extent to which the CFTC Final Margin Rules will apply to cross-border swap transactions. The possible outcomes fall into the following five categories which have been color-coded to correspond to the cells in the below table.

We remind you that each use of the term “CSE” in the table refers only to registered SDs and MSPs subject to the CFTC Final Margin Rules. Should an uncleared swap be entered into with a SD or MSP that is subject to regulation by a Prudential Regulator, the outcome may be different than that set out in the below table. The requirements of the Prudential Regulator’s initial and variation margin requirements must be considered.

Apply	CFTC Final Margin Rules apply and substituted compliance is not available.
Apply with Partial Substituted Compliance (Initial Margin Collection)	<p>A CSE would benefit from a substituted compliance determination, if available, with respect to initial margin <u>collected</u> from its counterparty. This only applies where the counterparty is a CSE that is a US person or a non-US person whose swaps are guaranteed by a US person.</p> <p>The CFTC Final Margin Rules would still apply (i) to initial margin <u>collected</u> by a CSE from its counterparty to the extent not covered by the substituted compliance determination, (ii) to initial margin <u>posted</u> by a CSE to its counterparty and (iii) to all variation margin requirements.</p>
Apply with Partial Substituted Compliance (Initial Margin Posting)	<p>A CSE would benefit from a substituted compliance determination, if available, with respect to initial margin <u>posted</u> to its counterparty. The counterparty cannot be a US person or a non-US person whose swaps are guaranteed by a US person. Also, the counterparty must be subject to a foreign jurisdiction’s margin requirements.</p> <p>The CFTC Final Margin Rules would still apply (i) to initial margin <u>posted</u> by a CSE to its counterparty to the extent not covered by the substituted compliance determination, (ii) to initial margin <u>collected</u> by a CSE to its counterparty and (iii) to all variation margin requirements.</p>
Apply with Full Substituted Compliance	A CSE would benefit from a substituted compliance determination, if available, with respect to all the CFTC Final Margin Rules.
Do Not Apply	<p>The CFTC Final Margin Rules do not apply. In these circumstances it is likely that a foreign jurisdiction’s uncleared swap margin requirements will apply.</p> <p>This exclusion does not apply to an uncleared swap of a non-US CSE where (i) that swap is not covered by a substituted compliance determination with respect to the initial margin requirements in the relevant jurisdiction (see the section entitled “Substituted Compliance” below) and (ii) any of the risks associated with that swap are transferred directly or indirectly, through inter-affiliate swap transactions, to a US CSE (or a non-US CSE that is guaranteed by a US person).</p>

			CSE				
			US Person		Non-US Person		
			All	Guaranteed	US Branch	Foreign Consolidated Subsidiary	Other
CSE Counterparty	US Person	All	Apply	Apply	Apply with Partial Substituted Compliance (Initial Margin Collection)	Apply with Partial Substituted Compliance (Initial Margin Collection)	Apply with Partial Substituted Compliance (Initial Margin Collection)
		Guaranteed	Apply	Apply	Apply with Partial Substituted Compliance (Initial Margin Collection)	Apply with Partial Substituted Compliance (Initial Margin Collection)	Apply with Partial Substituted Compliance (Initial Margin Collection)
	Non-US Person	US Branch	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance
		Foreign Consolidated Subsidiary	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance
		Other	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Do Not Apply
Non-CSE Counterparty	US Person	All	Apply	Apply	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance
		Guaranteed	Apply	Apply	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance
	Other	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Partial Substituted Compliance (Initial Margin Posting)	Apply with Full Substituted Compliance	Apply with Full Substituted Compliance	Do Not Apply	

Segregation of Collateral

Under the CFTC Final Margin Rules, initial margin that is posted and collected is generally required to be held by a third party custodian.⁹ Under the CFTC Final Cross-Border Margin Rules, a Foreign Consolidated Subsidiary or a non-US branch of a US CSE would not be required to comply with either the requirement to post initial margin or the third party custodian requirements applicable to initial margin collected by a CSE where the following requirements are satisfied:

- it is legally or operationally impractical to post any form of initial margin in compliance with the third party custodian requirements;
- the CSE is only permitted to transact with its counterparty through an establishment in the foreign jurisdiction and the foreign jurisdiction does not allow for the posting of initial margin in compliance with the third party custodian requirements in the United States or another jurisdiction for which the CFTC has issued a substituted compliance determination;

⁹ For further information, please see our client alert on the final margin rules for uncleared swaps of the CFTC and the Prudential Regulators available [here](#).

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- its counterparty is a non-US person that is not a CSE and is not guaranteed by a US person;
 - the CSE collects initial margin and collects and posts variation margin in the form of cash collateral;
 - for each broad risk category set out under the CFTC Final Margin Rules (i.e., credit, equity, foreign exchange and interest rates, and commodities), the total outstanding notional value of all uncleared swaps in each category that are relying on this exception, do not exceed 5% of the CSE's total outstanding notional value for all uncleared swaps in the same category;
 - the CSE has policies and procedures ensuring that it is in compliance with the requirements of this exception; and
 - the CSE maintains books and records properly documenting that all of this requirements of this exception are satisfied.

The CFTC noted that this exception would not apply where the applicable foreign regulatory restrictions would allow the posting of initial margin for the uncleared swap to occur in the United States or another jurisdiction for which the CFTC has issued a substituted compliance determination.

Non-Netting Jurisdictions

Pursuant to the CFTC's final margin rules, where more than one uncleared swap is executed pursuant to an eligible master netting agreement (for example, a 1992 or 2002 ISDA Master Agreement), the CSE would be permitted to calculate initial and variation margin on an aggregate basis with respect to all uncleared swaps governed by such agreement.

Under the CFTC Final Cross-Border Margin Rules, if a CSE cannot conclude after sufficient legal review, on a well-founded basis, that a netting agreement with a counterparty in a foreign jurisdiction meets the definition of "eligible master netting agreement" under the CFTC Final Margin Rules, then the CSE is permitted to calculate its initial and variation margin requirements on a net basis in determining the amount of margin that it is required to post, provided that certain conditions are satisfied. However, in determining the amount of initial and variation margin it is required to collect, it must make this determination on a gross basis (i.e., netting is not permitted).

Substituted Compliance

Should substituted compliance be granted with respect to some or all of a foreign jurisdiction's uncleared swap margin requirements, then CSEs will be entitled in the circumstances set out in the table above to comply with the foreign jurisdiction's uncleared swap margin requirements in order to satisfy the CFTC's requirements. This will be permitted to the extent of the substituted compliance determination. CSEs will remain subject to the CFTC's examination and enforcement authority.

To determine whether a particular foreign jurisdiction will have comparable margin requirements and, therefore, whether substituted compliance will be granted with respect to that jurisdiction's rules, the CFTC is proposing an outcomes-based approach focusing on whether the foreign jurisdiction's margin requirements achieve the same objectives/outcomes as those of the CFTC, rather than looking at whether the particular rules and regulations are the same. To make this determination, the CFTC will use a two stage process to review the foreign jurisdiction's margin requirements.

Stage 1

The CFTC will consider whether the foreign jurisdiction's uncleared swap margin requirements are consistent with international standards as set out in the margin policy framework for non-cleared, bilateral derivatives issued by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions in March 2015. The CFTC also has the ability to recognize any other future international standards, principals or guidance relating to margin requirements for non-cleared bilateral derivatives.

Stage 2

If the foreign jurisdiction's uncleared swap margin requirements are consistent under Stage 1, then the CFTC will evaluate each of the elements of the foreign jurisdiction's uncleared swap margin requirements to determine whether the substituted compliance determination should be made with respect to some or all of that foreign jurisdiction's requirements. CSEs will still be required to comply with the CFTC Final Margin Rules to the extent not covered by a substituted compliance determination.

The elements that the CFTC will be analyzing include:

- the transactions subject to the foreign jurisdiction's margin requirements;
- the entities subject to the foreign jurisdiction's margin requirements;
- the treatment of inter-affiliate derivatives transactions;
- the methodologies for calculating the amounts of initial and variation margin;
- the process and standards for approving models for calculating initial and variation margin models;
- the timing and manner in which initial and variation margin must be collected and/or paid;
- any threshold levels or amounts;
- risk management controls for the calculation of initial and variation margin;
- eligible collateral for initial and variation margin;
- the requirements of custodial arrangements, including segregation of margin and rehypothecation;
- documentation requirements relating to margin; and
- the cross-border application of the foreign jurisdiction's margin regime.

Additionally, the CFTC may take into account all other relevant factors in its determination, including:

- the scope and objectives of the foreign jurisdiction's margin requirement(s) for uncleared swaps;
- how the foreign jurisdiction's margin requirements compare to international standards;
- whether the foreign jurisdiction's margin requirements achieve comparable outcomes to the CFTC's corresponding margin requirements;
- the ability of the relevant regulatory authority or authorities to supervise and enforce compliance with the foreign jurisdiction's margin requirements; and
- any other facts and circumstances the CFTC deems relevant.

Appendix

US Person Definition Comparison

Entity Type	US Person Definitions		
	CFTC Final Cross-Border Margin Rules	CFTC Cross-Border Guidance	SEC Cross-Border Rule
Natural Person	Any natural person who is a resident of the United States.	Any natural person who is a resident of the United States.	A natural person resident in the United States.
Estate	Any estate of a decedent who was a resident of the United States at the time of death.	Any estate of a decedent who was a resident of the United States at the time of death.	Any estate of a decedent who was a resident of the United States at the time of death.
Corporation	Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of entity similar to any of the foregoing (other than an entity described in the pension plan and trust prongs below) (a legal entity), in each case that is organized or incorporated under the laws of the United States or having its principal place of business in the United States, including any branch of the legal entity.	Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund, or any form of enterprise similar to any of the foregoing (other than a legal entity described in the pension plan or trust prongs below) (a "legal entity"), in each case that organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States.	A partnership, corporation, trust, investment vehicle, or other legal person organized, incorporated, or established under the laws of the United States or having its principal place of business in the United States.
Pension Plan	Any pension plan for the employees, officers or principals of a legal entity described in the corporation prong above, unless the pension plan is primarily for foreign employees of such entity.	Any pension plan for the employees, officers or principals of a legal entity (as defined above), unless the pension plan is primarily for foreign employees of such entity.	No separate test is provided.
Trust	Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust.	Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust.	No separate test is provided as trusts have been included in the corporation test above.

Entity Type	US Person Definitions		
	CFTC Final Cross-Border Margin Rules	CFTC Cross-Border Guidance	SEC Cross-Border Rule
Collective Investment Vehicle	No separate test is provided.	Any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in the corporation prong above and that is majority-owned by one or more persons described in the natural person, estate, corporation, pension plan or trust prongs above, except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-US persons and not offered to US persons	No separate test is provided.
Unlimited Liability Entity	Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) owned by one or more persons described in the natural person, estate, corporation, pension plan and trust prongs above who bear(s) unlimited responsibility for the obligations and liabilities of the legal entity, including any branch of the legal entity.	Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in the natural person, estate, corporation, pension plan or trust prongs above and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity.	No separate test is provided.
Account	Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in the natural person, estate, corporation, pension plan, trust and unlimited liability entity prongs above.	Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in the natural person, estate, corporation, pension plan, trust, collective investment vehicle or unlimited liability entity prongs above.	An account (whether discretionary or non-discretionary) of a US person.

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