

E. **Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract**

A Reporting Canadian Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract receiving a death benefit is not a Specified U.S. Person and may treat such Financial Account as other than a U.S. Reportable Account unless the Reporting Canadian Financial Institution knows, or has reason to know, that the beneficiary is a Specified U.S. Person. A Reporting Canadian Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract is a Specified U.S. Person if the information collected by the Reporting Canadian Financial Institution and associated with the beneficiary contains U.S. indicia as described in subparagraph (B)(1) of section II of this Annex I. If a Reporting Canadian Financial Institution knows, or has reason to know, that the beneficiary is a Specified U.S. Person, the Reporting Canadian Financial Institution must follow the procedures in subparagraph B(3) of section II of this Annex I.

F. **Reliance on Third Parties**

Regardless of whether an election is made under paragraph C of section I of this Annex I, Canada may permit Reporting Canadian Financial Institutions to rely on due diligence procedures performed by third parties, to the extent provided in relevant U.S. Treasury Regulations.
