

C. **Retirement Funds**

1. Any plan or arrangement established in Canada and described in paragraph 3 of Article XVIII (Pensions and Annuities) of the Convention, including any plan or arrangement that the Competent Authorities may agree under subparagraph 3(b) of Article XVIII is similar to a plan or arrangement under that subparagraph.

D. **Investment Entity Wholly Owned by Exempt Beneficial Owners**

1. An Entity that is a Canadian Financial Institution solely because it is an Investment Entity, provided that each direct holder of an Equity Interest in the Entity is an exempt beneficial owner, and each direct holder of a debt interest in such Entity is either a Depository Institution (with respect to a loan made to such Entity) or an exempt beneficial owner.

III. **Deemed-Compliant Financial Institutions**

The following Financial Institutions are Non-Reporting Canadian Financial Institutions that shall be treated as deemed-compliant FFIs for the purposes of section 1471 of the U.S. Internal Revenue Code:

A. **Financial Institution with a Local Client Base**

A Financial Institution that qualifies as a local FFI as described in relevant U.S. Treasury regulations, applying subparagraphs A(1), A(2) and A(3) of this section in lieu of the relevant paragraphs in those regulations:

1. Beginning on or before July 1, 2014, the Financial Institution must have policies and procedures, consistent with those set forth in Annex I, to prevent the Financial Institution from providing a Financial Account to any Nonparticipating Financial Institution and to monitor whether the Financial Institution opens or maintains a Financial Account for any Specified U.S. Person who is not a resident of Canada (including a U.S. Person that was a resident of Canada when the Financial Account was opened but subsequently ceases to be a resident of Canada) or any Passive NFFE with Controlling Persons who are U.S. residents or U.S. citizens who are not residents of Canada;