



## The Common Reporting Standard - are you ready for 1 January 2016?

### What is the Common Reporting Standard?

The Common Reporting Standard (“CRS”) is the new, single global standard for the automatic exchange of information which was introduced by the OECD on 15 July 2014.

### What does CRS oblige me to do?

CRS obliges Irish Financial Institutions and Irish branches of Foreign Financial Institutions, to collect certain information from customers who hold Reportable Accounts under CRS and report this information to the Irish Revenue for onward reporting to the tax authorities of the countries in which those customers are resident for tax purposes.

Similar provisions also apply to Financial Institutions in other jurisdictions.

### How can I ensure I am CRS compliant?

In order to be CRS compliant, Reporting Financial Institutions must review their existing customer accounts using CRS due diligence guidelines in order to identify which are reportable for CRS purposes and where account holders are resident for tax purposes.

In addition Reportable Financial Institutions should ensure that their onboarding procedures for new customers and the opening of new accounts are sufficient for identifying Reportable Financial Accounts for CRS purposes and in what jurisdiction those account holders are resident for tax purposes.

### ACHIEVING CRS COMPLIANCE



### Is CRS not just the same thing as FATCA?

While CRS has close affiliations to FATCA, there are some key differences between the two.

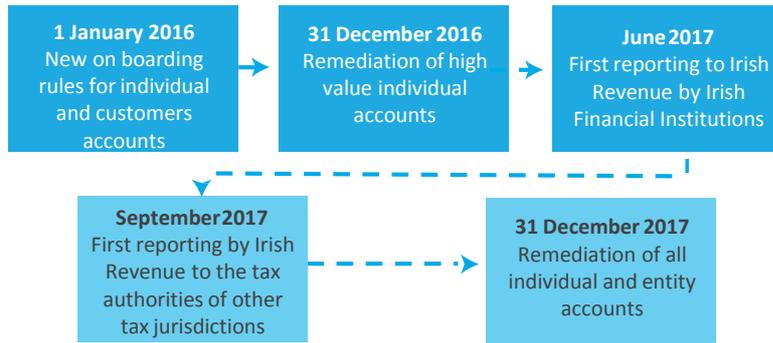
When compared to FATCA, CRS;

- Does not impose a withholding tax obligation where you are non compliant;
- May result in a greater number of customers being reported to Revenue for some Financial Institutions as;
  - ✓ certain sub categories of Non Reportable Accounts have been removed; and
  - ✓ certain reporting thresholds for existing account holders have been reduced;
- Requires a greater volume of information on customers who hold accounts to be collected and reported to Revenue;

### Key areas to consider

<b>How you will crossvalidate self certification forms</b>	CRS self-certification forms will introduce challenges in the documentation review. An additional CRS self-certification will require a cross-check against AML/KYC information, and FATCA forms on file
<b>How you will validate TIN's from different reporting jurisdictions</b>	Each jurisdiction will release their TIN format requirements in the OECD AEOI Assist portal. Each jurisdiction requires different format requirements, leading to possibly complex validation processes.
<b>How you will track local CRS Regulation changes</b>	Jurisdictions will roll-out regulations and guidance at various times. To comply with CRS, rules of all applicable jurisdictions will need to be tracked to confirm the most recent rules are being followed.
<b>The reclassification of group entities for CRS purposes</b>	Entities will need to be re-assessed to determine the CRS classification. FATCA classifications may not always coincide with CRS classifications (e.g., sponsored entities for FATCA are not recognised in CRS).

## CRS Implementation Timeline



## What can Deloitte do to help?

Deloitte offers a full suite of services to help clients manage the introduction of CRS and their ongoing CRS reporting requirements. We can;

- ✓ Carry out a CRS impact assessment for your organisation and use it to create an implementation roadmap tailored to your organisations needs;
- ✓ Carry out compliance and Completeness Review of Policies, Procedures and Controls in place to capture CRS information for new customers and new accounts;
- ✓ Identify the CRS classification of entities in your group & their reporting requirements;
- ✓ Analyse Financial Accounts and identify which are reportable for CRS purposes;
- ✓ Assist with on boarding process changes as well as updating system mappings for custodians where required;
- ✓ Create a tax document collection process to assist with CRS Implementation;
- ✓ Assist with system design documentation, testing & training for regulation changes; and
- ✓ Provide learning sessions on CRS, tailored to the needs of your organisation.

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