

Understanding Common Reporting Standard Requirements

An overview of the Common Reporting Standard (CRS)

What is it?

- The Common Reporting Standards (CRS) is the standard for automatic exchange of financial account information (“AEOI”) developed by the OECD
- Based upon the Foreign Account Tax Compliance Act (FATCA), CRS is a legal basis for exchange of tax data among participating jurisdictions
- Onboarding requirements for certain jurisdictions commences on January 1, 2016
- Reporting requirements for certain jurisdictions commences on March 31, 2017
- 90+ participating jurisdiction to date

Am I impacted?

Generally impacted organizations include organizations that provide financial services or engage in financial services type activities such as:

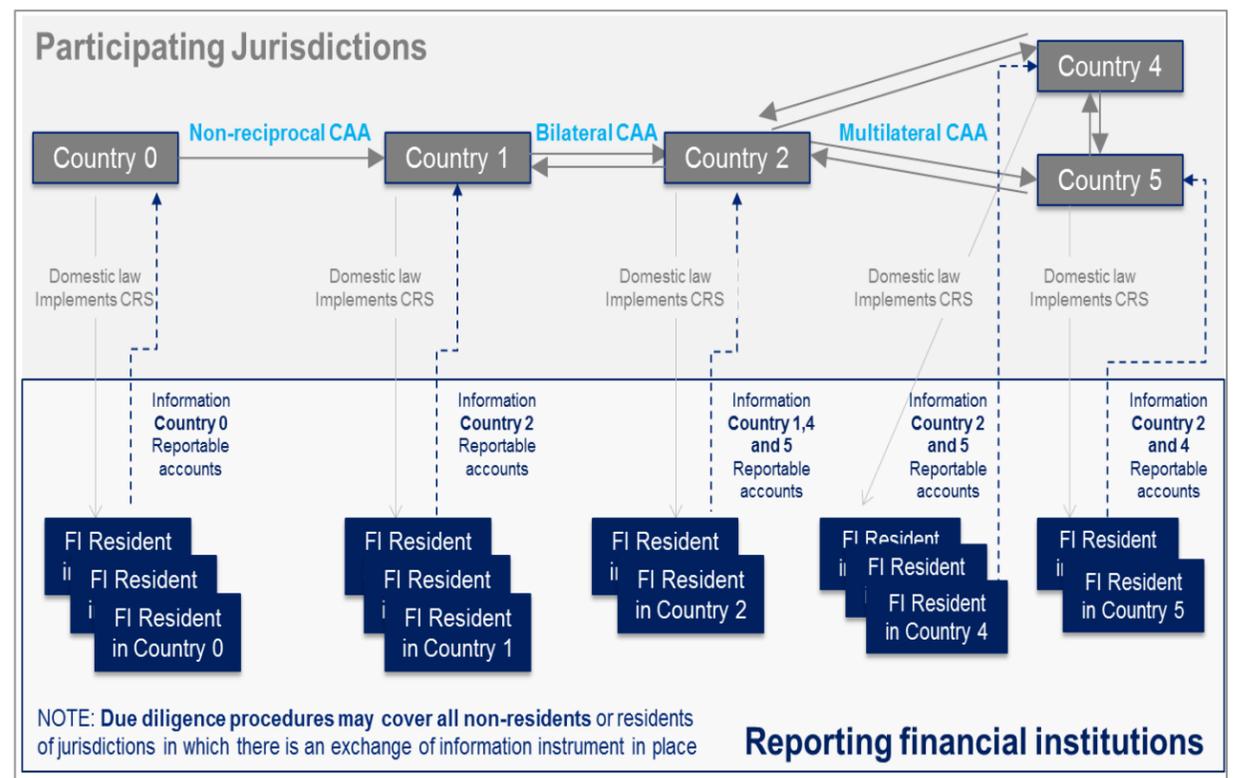
- Banking
- Investment Management
- Insurance

What do I need to do?

- CRS requires financial institutions resident in the Participating Jurisdictions to implement due diligence procedures to document and identify reportable accounts under CRS as well as to establish reporting processes on the reportable accounts identified.
- Similar to FATCA, legal entities must be classified under CRS. The classification of entities under the CRS regime will determine procedural changes required.
- In order for an organization to understand and comply with its CRS obligations in a deliberate approach Financial Institutions will need to:
 - Scope and Plan
 - Classify Entities
 - Assess Impact
 - Develop policies and business requirements and
 - Support change

Global AEOI Model

The global model of AEOI is based upon countries signing either a bilateral (reciprocal or non-reciprocal) or a multilateral Model Competent Authority Agreement (CAA). This provides the terms and conditions for the exchange of financial account information and the translation of the CRS into domestic law.



Model CAAs

A Model CAA is the agreement that countries adopting CRS are required to sign to become Participating Jurisdictions. Agreements provide overall governance on information exchanges and provide for suspension of the agreement in certain instances of violation of key tenets.

About Deloitte

Implementing Common Reporting Standard Solution

Introducing Deloitte's Rapid Phased Approach

Our CRS approach leverages Deloitte's global tax reporting knowledge and experience and footprint to quickly and effectively identify impacted lines of business within the organization, consistently apply a global interpretive standard and jointly develop tested implementation processes within applicable timelines.

Phase 1	<p>Education and governance: Inform and educate stakeholders of upcoming regulatory changes, form project team and institute governance structure</p> <p>Legal entity classification: Classify organizational entities under CRS and implement guidelines proscribed per their classification</p> <p>Rapid understanding of business impact: Determine how organization and Lines of Business (LOBs) are affected by CRS protocol</p>
Phase 2	<p>Joint development of business requirements and policies: Provide consistent organizational guidance and develop high level CRS Business Requirement Documents and functional specifications</p> <p>Implementation of ongoing support model: Develop processes and technical capabilities to monitor and implement ongoing country/jurisdiction CRS requirements support model</p>



Output	<ul style="list-style-type: none"> Finalized Impact Assessment including Implementation Timeline with Key Milestones CRS product matrix CRS legal entity classification and key considerations by LOBs CRS Internal communications plan
Output	<ul style="list-style-type: none"> Business requirements per legal entity/ line of business Reviewed policies and procedures Country updates

Leaders



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