



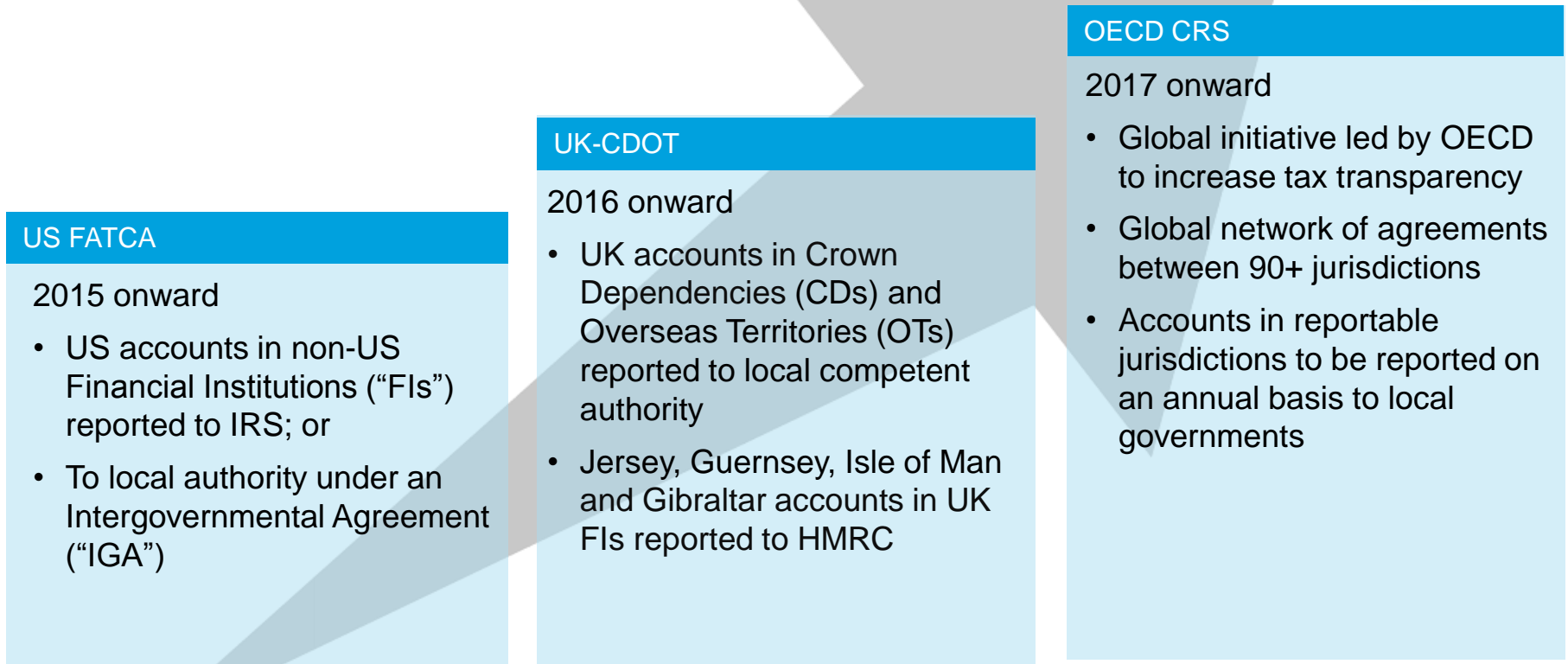
Deloitte.

Common Reporting Standard (CRS) The road continues

February 2016

The information exchange landscape

Coming years will see increasing global transparency of account holder information requiring global scalable solutions



Increasing number of practical challenges

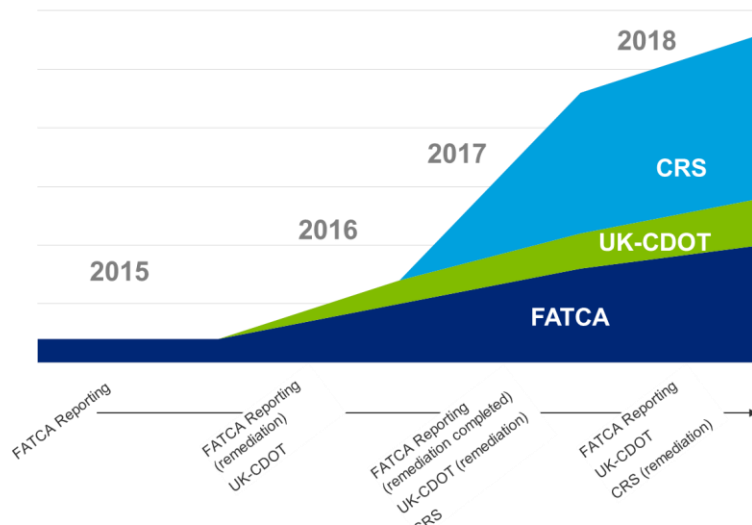
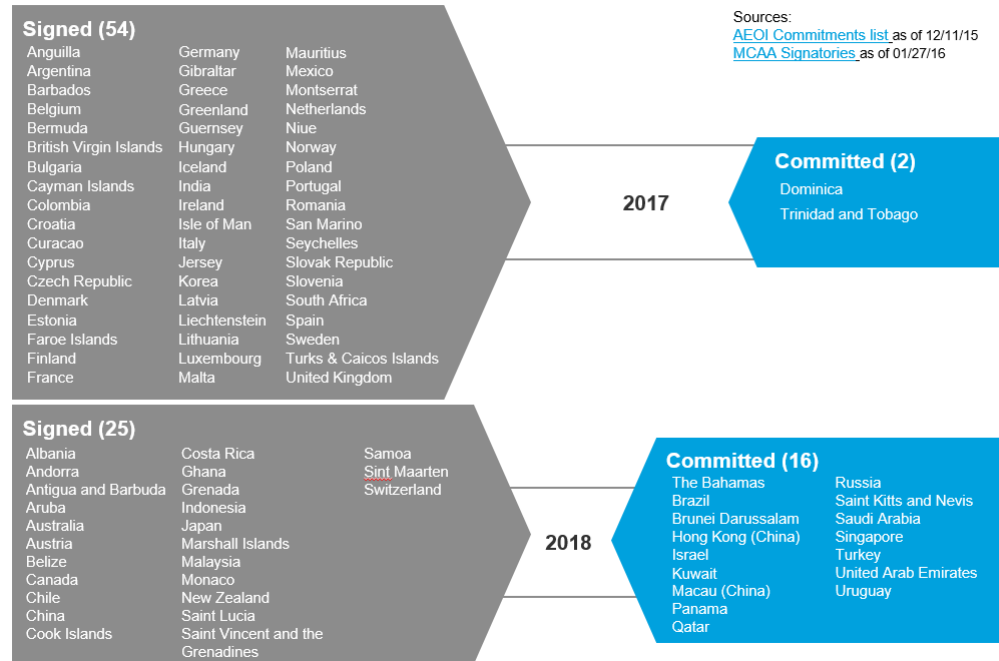
- Filing multiple returns covering reportable accounts
- Managing relationships with multiple authorities and complying with data privacy laws
- Ensuring reports are filed in respect of all FIs and in the correct format



The road continues...

- The CRS is the standard for automatic exchange of financial account information (“AEOI”) developed by the OECD
- CRS is a broad reporting regime that draws extensively on the intergovernmental approach to implement FATCA
- Similar to FATCA, CRS requires financial institutions resident to the Participating Jurisdictions to implement due diligence procedures, to document and identify reportable accounts under CRS, as well as establish a wide-ranging reporting process.

Countries to Implement CRS (97)



- In addition to FATCA reporting increase and upcoming UK-CDOT reporting (due in 2016 by financial institutions located in the UK, including its Crown Dependencies and Overseas Territories “CDOT”); financial institutions will face the CRS reporting challenge starting in 2017 if they are residents in any of the jurisdictions known as “Early Adopters”.
- The CRS will significantly increase tax reporting for financial institutions located in the 90+ jurisdictions that have adopted CRS.
- Although the US is not participating, there may be entities that are treated as participating in a jurisdiction that participates in OECD.

We are headed toward a global FATCA-like regime

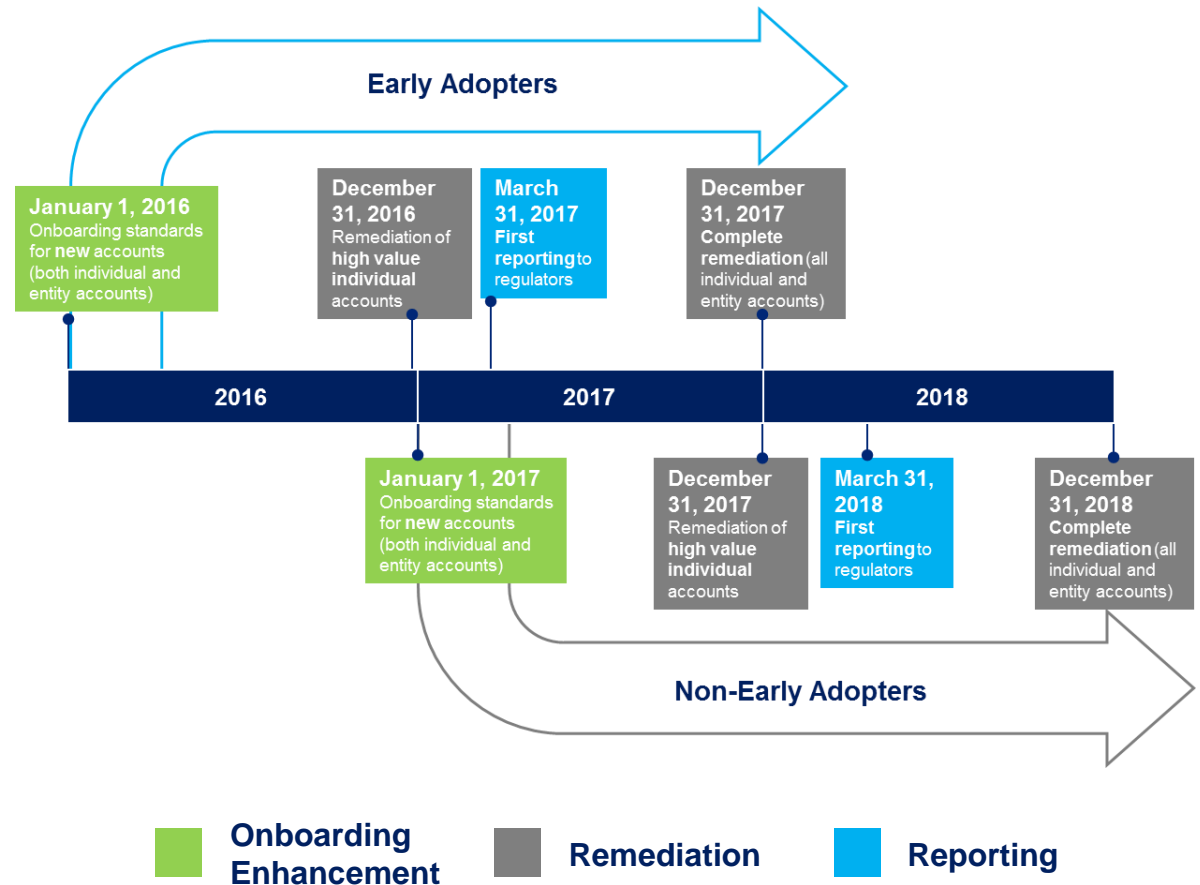
FATCA vs. CRS			Key Points
	FATCA	CRS	
Governing Authority	<ul style="list-style-type: none"> United States 	<ul style="list-style-type: none"> 90+ separate tax jurisdictions 	<ul style="list-style-type: none"> Requires monitoring of local jurisdictions enforcement provisions to determine compliance risk – jurisdictions subject to peer review by Global Forum
Withholding	<ul style="list-style-type: none"> 30% withholding on Non-Compliant Payees / Intermediaries 	<ul style="list-style-type: none"> No Withholding 	<ul style="list-style-type: none"> Enforcement by the tax authorities of the signatory jurisdictions. Specific requirement for signatory jurisdictions to establish a penalties scheme
Account Scope	<ul style="list-style-type: none"> US Individual Accounts, US Entity accounts and Passive NFFE accounts held by substantial US owners 	<ul style="list-style-type: none"> Individual and Entity accounts held by tax residents of any CRS reportable jurisdiction or Passive NFEs with Controlling persons that are resident in any CRS reportable jurisdictions 	<ul style="list-style-type: none"> The number of CRS reportable accounts for a Reporting Financial Institution is likely to be greater than the number of reportable accounts under FATCA
Thresholds	<ul style="list-style-type: none"> \$ 50,000 and \$ 250,000 applicable 	<ul style="list-style-type: none"> With the exception of preexisting entity accounts, no thresholds applicable 	<ul style="list-style-type: none"> Potentially limited impact for financial institutions that did not apply thresholds
Documentation requirements	<ul style="list-style-type: none"> Forms W-8/ W-9 may be used to capture all tax data 	<ul style="list-style-type: none"> US Tax Forms are not acceptable to capture all CRS data (e.g. multiple tax residences, CRS legal entity classification, place of birth) 	<ul style="list-style-type: none"> Self-cert will be needed to capture CRS specific data such as multiple tax residency, CRS legal entity classification. Controlling persons required to sign or affirm their own self-certification All Passive NFEs will ultimately have to identify Controlling Persons (natural persons)

The two global information reporting regimes may classify entities differently, resulting in additional complexity

CRS Key Dates

Financial Institutions located in any of the 50+ Early Adopter Jurisdictions will need to have enhanced their onboarding process by January 1, 2016.

- CRS draws extensively on the Model 1 IGA approach of FATCA but there are key differences that require specific onboarding, remediation, and reporting enhancements in processes.
- The scope of CRS is broader than FATCA as it aims to identify tax residents in any of the 90+ jurisdictions participating in CRS.
- Financial institutions will need to collect specific self-certifications covering the CRS required information in order to identify and report accountholders resident in any of the 90+ jurisdictions.
- Account scope of CRS may be significantly greater than FATCA due to the fact that most thresholds applicable under FATCA are not applicable within CRS and categories of entities that have to provide information on Controlling Persons are broader.



Contact

Denise Hintzke
Director | Global FATCA Tax Leader
Deloitte Tax LLP
+1.212.436.4792
dhintzke@deloitte.com

Andrea Garcia Castelao
Senior Manager | Global Information Reporting
Deloitte Tax LLP
+1.212.436.3785
angarciacastelao@deloitte.com

David Charlton
Principal | Global Information Reporting
Deloitte Tax LLP
+1.617.437.2118
dcharlton@deloitte.com

Anne Mericle
Senior Manager | Global FATCA PMO
Deloitte Tax LLP
+1.212.436.3908
americle@deloitte.com

This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax or other professional advice or services. This presentation is not substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by an person who relies on this presentation.

Deloitte.



Official Professional Services Sponsor

Professional Services means audit, tax, consulting and financial advisory services.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a detailed description of DTTL and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.