

Deloitte.



Common Reporting Standard (CRS)

The road continues

The information exchange landscape

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



US FATCA

2015 onward

- US accounts in non-US Financial Institutions ("FIs") reported to IRS; or
- To local authority under an Intergovernmental Agreement ("IGA")

UK-CDOT

2016 onward

- UK accounts in Crown Dependencies (CDs) and Overseas Territories (OTs) - Cayman Islands, Guernsey, Jersey, Isle of Man, Bermuda, BVI, Anguilla, Turks and Caicos, Montserrat and Gibraltar - reported to local competent authority.

OECD CRS

2017 onward

- Global initiative led by OECD to increase tax transparency
- Global network of agreements between 100+ jurisdictions
- Accounts in reportable jurisdictions to be generally reported on an annual basis to local governments

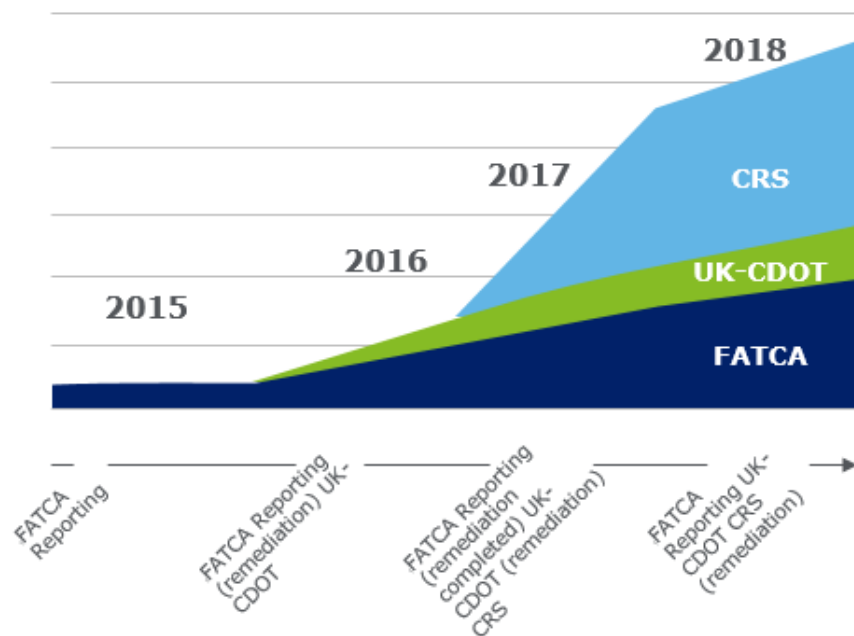


Increasing number of practical challenges

- 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 (101)

Sources:
[AEOI Commitments list](#) as of 06/20/17
[MCAA Signatories](#) as of 06/29/17

2017 Signed (50) Signatories of the Multilateral Competent Authority Agreement

Anguilla	Croatia	Germany	Ireland	Luxembourg	Romania	Turks & Caicos Islands
Argentina	Cyprus	Gibraltar	Isle of Man	Malta	San Marino	United Kingdom
Belgium	Czech Republic	Greece	Italy	Mexico	Seychelles	
Bermuda	Denmark	Greenland	Jersey	Montserrat	Slovak Republic	
British Virgin Islands	Estonia	Guernsey	Korea	Netherlands	Slovenia	
Bulgaria	Faroe Islands	Hungary	Latvia	Norway	South Africa	
Cayman Islands	Finland	Iceland	Liechtenstein	Poland	Spain	
Colombia	France	India	Lithuania	Portugal	Sweden	

2018 Signed (42) Signatories of the Multilateral Competent Authority Agreement

Andorra	Curacao	Niue
Antigua and Barbuda	Ghana	Pakistan
Aruba	Grenada	Russia
Australia	Indonesia	Saint Kitts and Nevis
Austria	Israel	Saint Lucia
Bahrain	Japan	Saint Vincent and the Grenadines
Barbados	Kuwait	Samoa
Belize	Lebanon	Saudi Arabia
Brazil	Malaysia	Singapore
Canada	Marshall Islands	Sint Maarten
Chile	Mauritius	Switzerland
China	Monaco	Turkey
Cook Islands	Nauru	United Arab Emirates
Costa Rica	New Zealand	Uruguay

2018 Committed (9)

The Bahamas	Panama
Brunei Darussalam	Qatar
Dominica	Trinidad and Tobago
Hong Kong (China)	Vanuatu
Macau (China)	

- 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 100+ 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.

FATCA vs. UK-CDOT vs. CRS

	FATCA	UK-CDOT	CRS	Key Takeaways for CRS
For Governing Authority	United States	United Kingdom, Crown Dependencies and Overseas Territories (UK-CDOT)	100+ separate tax jurisdictions	Requires monitoring local jurisdictions enforcement provisions to determine compliance risk—jurisdictions subject to peer review by Global Forum
Withholding	30% withholding on non-compliant payees/Intermediaries	No withholding	No withholding	Enforcement by the tax authorities of the signatory jurisdictions. Specific requirement for signatory jurisdictions to establish a penalties scheme
Account Scope	US Individual Accounts, US Entity Accounts and Passive NFFE accounts held by substantial US owners	UK-CDOT Individual Accounts, UK-CDOT Entity accounts and Passive NFE accounts held by substantial UK-CDOT owners	Individual and Entity accounts held by tax residents of any CRS participating jurisdiction or Passive NFEs with controlling persons that are resident in any CRS participating jurisdiction	The number of CRS reportable accounts may be greater than reportable accounts under US FATCA and UK-CDOT
Thresholds	New Individual: \$50,000 New Entity: N/A Preexisting Individual: \$50,000 (generally) and \$250,000 (cash value insurance) Preexisting Entity: \$250,000	New Individual: \$50,000 New Entity: N/A Preexisting Individual: \$50,000 (generally) and \$250,000 (cash value insurance) Preexisting Entity: \$250,000	With the exception of preexisting entity accounts, no thresholds applicable	Potentially limited impact for financial institutions that did not apply thresholds
Documentation Requirements	Forms W-8/W-9 may be used to capture all tax data	US tax forms are not acceptable to capture all UK-CDOT data; UK-CDOT self-certifications must be developed	US tax forms are not acceptable to capture all CRS data. CRS self-certifications must be developed	Self-cert will be needed to capture CRS specific data such as multiple tax residency, CRS legal entity classification. Controlling persons generally required to provide their own self-certification including the type of Controlling Person under CRS

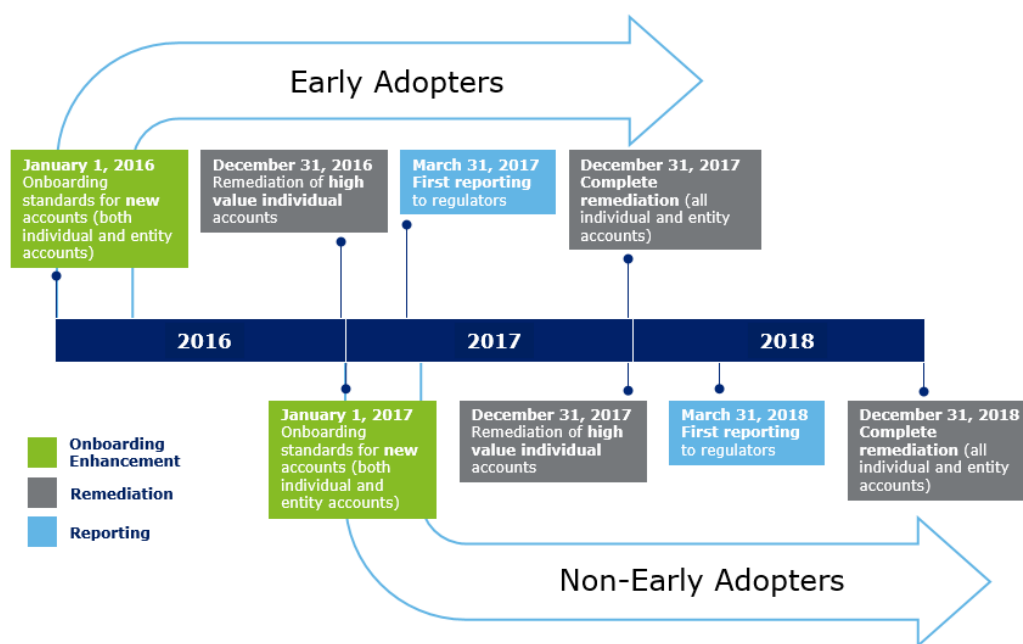
Account scope of CRS may be significantly greater than US FATCA and UK-CDOT

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 100+ 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 100+ 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.

CRS Impact on Reporting Financial Institutions



Contacts

Denise Hintzke

Managing Director | Global FATCA/CRS Tax Leader

Deloitte Tax LLP

+1.212.436.4792

dhintzke@deloitte.com

David Charlton

Principal | Global Information Reporting

Deloitte Tax LLP

+1.617.437.2118

dcharlton@deloitte.com

Andrea Garcia Castelao

Senior Manager | Global Information Reporting

Deloitte Tax LLP

+1.212.436.3785

angarciacastelao@deloitte.com

Anne Mericle

Senior Manager | Global FATCA/CRS 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 a 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 any person who relies on this presentation.



Official Professional Services Sponsor

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

About Deloitte

As used in this document, "Deloitte" means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2017 Deloitte Development LLC. All rights reserved.

36 USC 220506