

## Understanding Common Reporting Standard Requirements

### An overview of the Common Reporting Standard (CRS)

#### What is it?

- The Common Reporting Standard (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 jurisdictions that are early adopters starts on January 1, 2016
- Reporting will be due between January and September of 2017 in early adopter jurisdictions
- 100+ participating jurisdiction to date

#### FATCA vs. UK-CDOT vs. CRS

|                                   | FATCA   | UK-CDOT   | CRS   | Key Takeaways for CRS  |
|-----------------------------------|---|---|---|--|
| <b>For Governing Authority</b>    | 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   |
| <b>Withholding</b>                | 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  |
| <b>Account Scope</b>              | 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   |
| <b>Thresholds</b>                 | New Individual: \$50,000<br>New Entity: N/A<br>Preexisting Individual: \$50,000 (generally) and \$250,000 (cash value insurance)<br>Preexisting Entity: \$250,000 | New Individual: \$50,000<br>New Entity: N/A<br>Preexisting Individual: \$50,000 (generally) and \$250,000 (cash value insurance)<br>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  |
| <b>Documentation Requirements</b> | 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**

#### Countries to Implement CRS (100)

Sources:  
AEOI Commitments list as of 04/10/17  
MCAA Signatories as of 11/02/16

**2017 Signed (52) Signatories of the Multilateral Competent Authority Agreement**

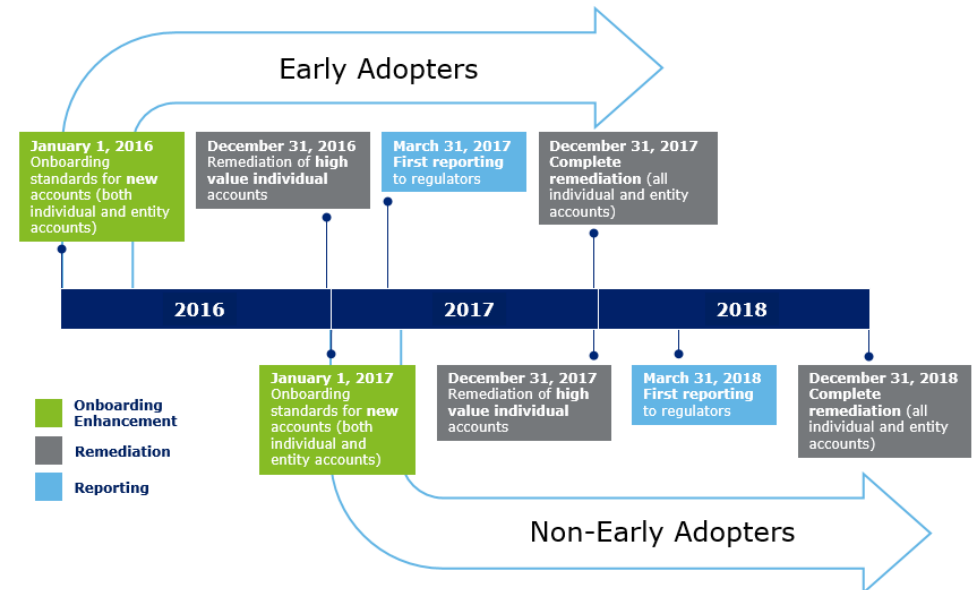
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|------------------------|----------------|-----------|---------------|-------------|-----------------|------------------------|
| Anguilla               | Colombia       | France    | India         | Lithuania   | Poland          | Spain         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

**2018 Signed (34) Signatories of the Multilateral Competent Authority Agreement**

|                     |                  |                                  |
|---------------------|------------------|----------------------------------|
| Andorra             | Curacao          | New Zealand                      |
| Antigua and Barbuda | Ghana            | Russia                           |
| Aruba               | Grenada          | Saint Kitts and Nevis            |
| Australia           | Indonesia        | Saint Lucia                      |
| Austria             | Israel           | Saint Vincent and the Grenadines |
| Belize              | Japan            | Samoa                            |
| Brazil              | Kuwait           | Saudi Arabia                     |
| Canada              | Malaysia         | Sint Maarten                     |
| Chile               | Marshall Islands | Switzerland                      |
| China               | Mauritius        | Uruguay                          |
| Cook Islands        | Monaco           |                                  |
| Costa Rica          | Nauru            |                                  |

**Committed (14)**

|                   |                      |
|-------------------|----------------------|
| The Bahamas       | Panama               |
| Bahrain           | Qatar                |
| Brunei Darussalam | Singapore            |
| Dominica          | Trinidad and Tobago  |
| Hong Kong (China) | Turkey               |
| Lebanon           | United Arab Emirates |
| Macau (China)     | Vanuatu              |

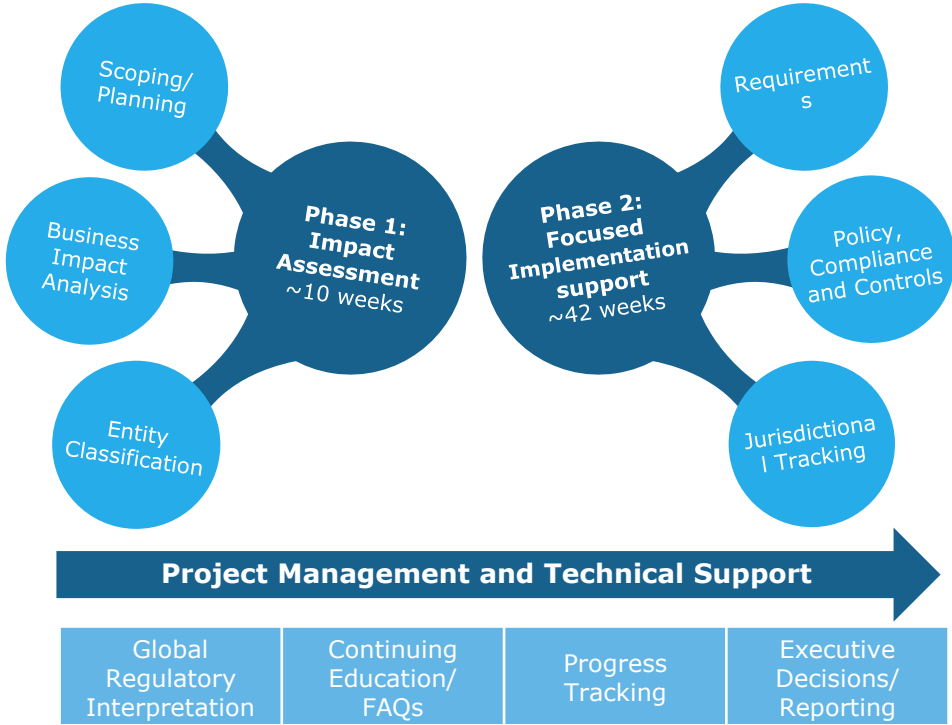


# Implementing Common Reporting Standard Solution

## 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.

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



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

### Leaders



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