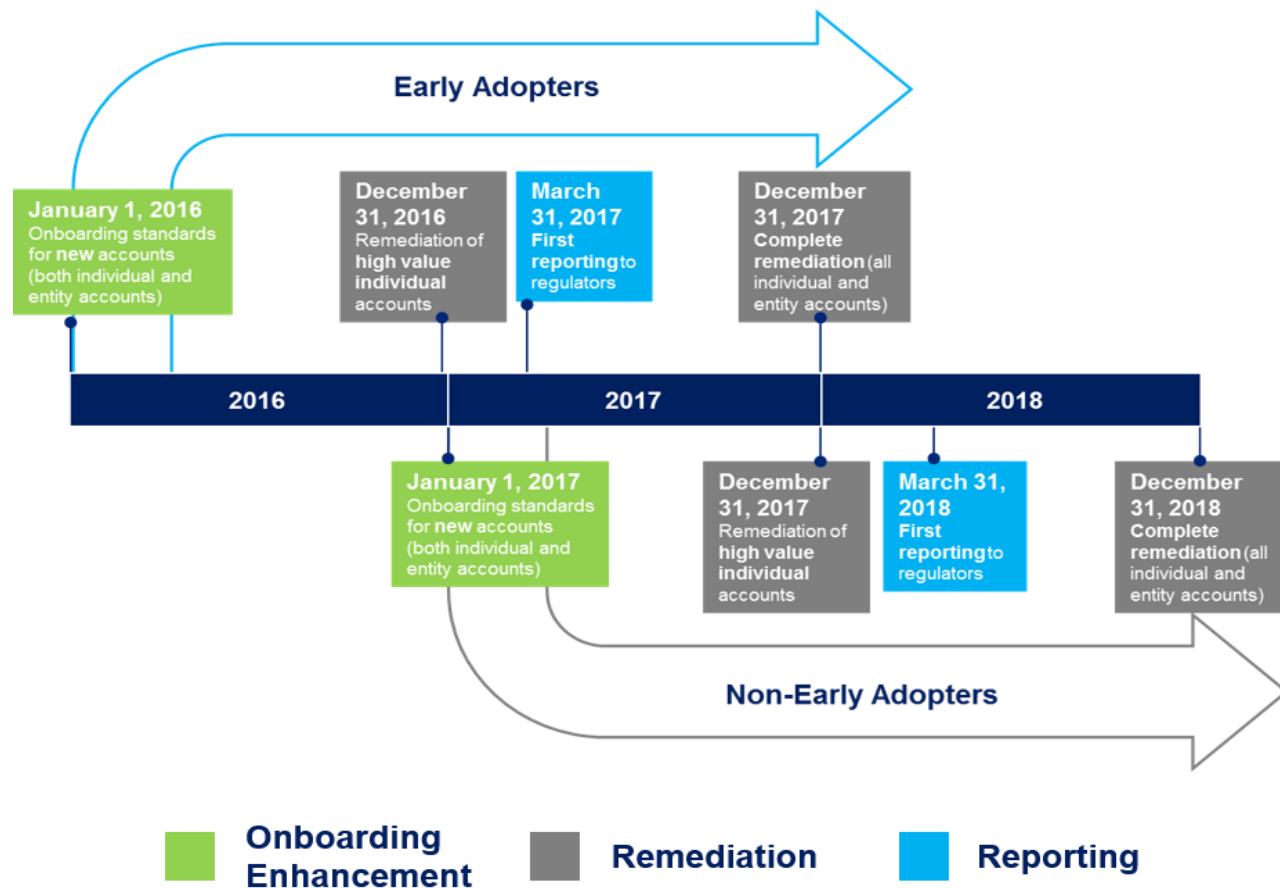


## Understanding Common Reporting Standard Requirements

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

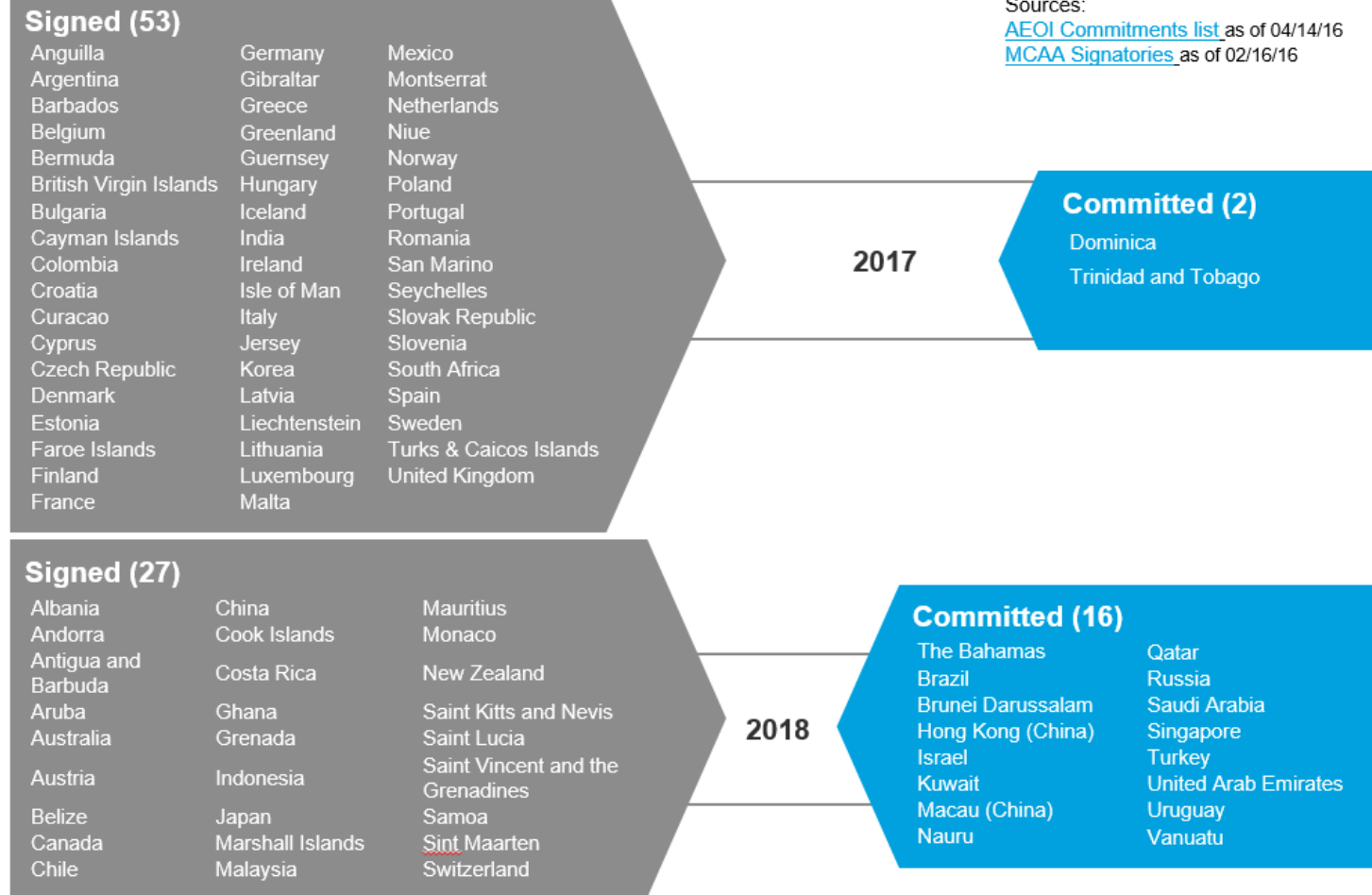
#### What is it?

- 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 requirements for these jurisdictions commences on March 31, 2017
- 90+ participating jurisdiction to date



## Countries to Implement CRS (98)

Sources:  
[AEOI Commitments list](#) as of 04/14/16  
[MCAA Signatories](#) as of 02/16/16



### FATCA vs. CRS

|                                   | FATCA  | CRS   |
|-----------------------------------|--|---|
| <b>Governing Authority</b>        | • United States  | • 96 separate tax jurisdictions   |
| <b>Withholding</b>                | • 30% withholding on Non-Compliant Persons   | • No Withholding  |
| <b>Account Scope</b>              | • US Individual Accounts, US Entity accounts and Passive NFFE accounts held by substantial US owners | • Individual and Entity accounts held by tax residents of any CRS jurisdiction or Passive NFEs with controlling persons that are resident in a jurisdiction |
| <b>Thresholds</b>                 | • \$ 50,000 individuals<br>• \$250,000 entities  | • None, with the exception of preexisting entity accounts   |
| <b>Documentation requirements</b> | • Forms W-8/ W-9 may be used to capture all tax data   | • Must use self certifications  |

#### Key Points

- Requires monitoring of local jurisdictions requirements.
- Enforcement by the tax authorities of the signatory jurisdictions. – jurisdictions subject to peer review by Global Forum
- The number of CRS reportable accounts for a Reporting Financial Institution is likely to be greater
- Potentially limited impact for financial institutions that did not apply thresholds
- Must capture CRS specific data such as multiple tax residency, CRS legal entity classification.
- Controlling persons required to provide their own self-certification
- All Passive NFEs will ultimately have to identify Controlling Persons that are individuals








## 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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