

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

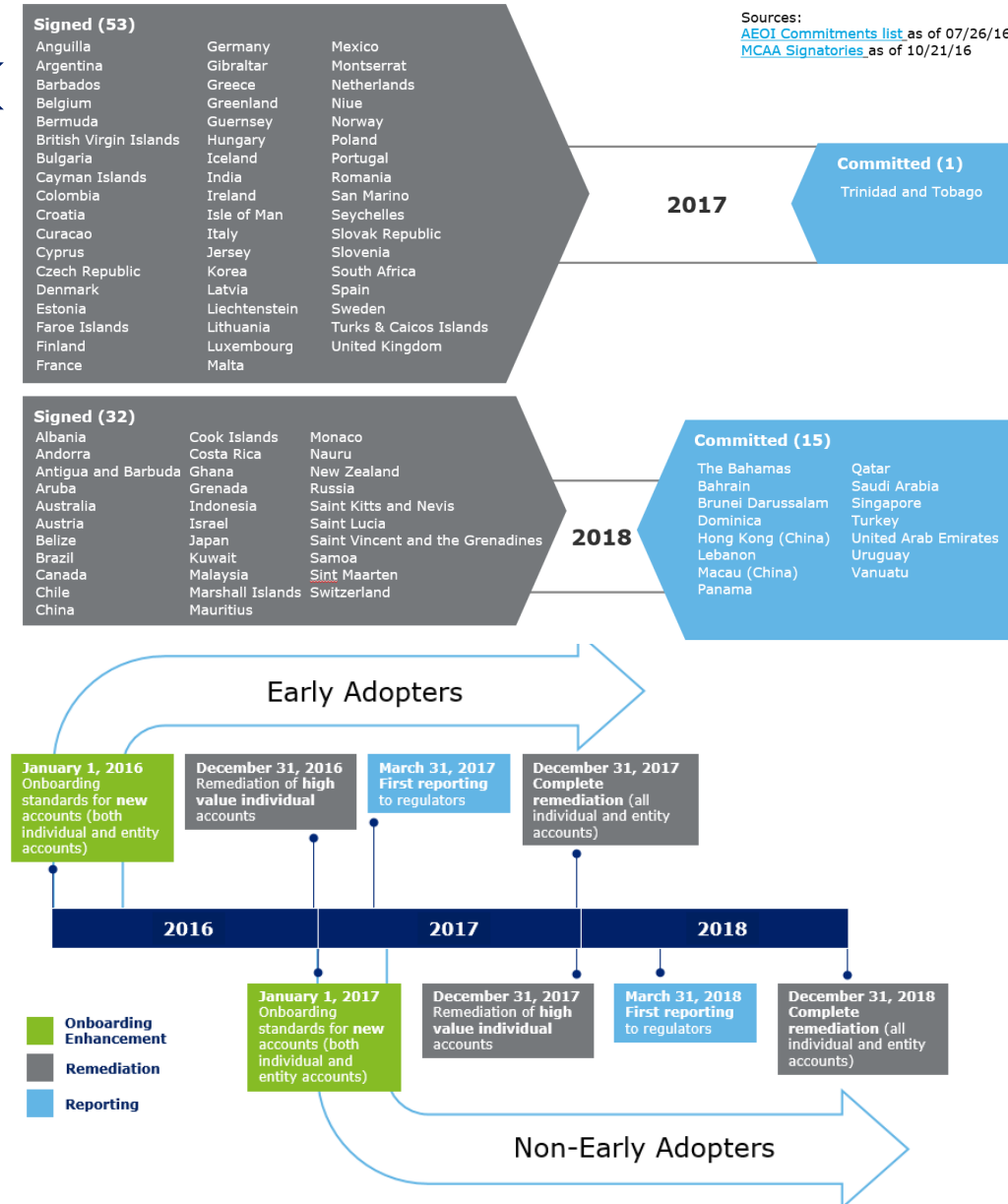
FATCA vs. UK-CDOT vs. CRS

| | FATCA | UK-CDOT | CRS | Key Takeaways for CRS |
|-----------------------------------|---|---|---|--|
| 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

Countries to Implement CRS (101)

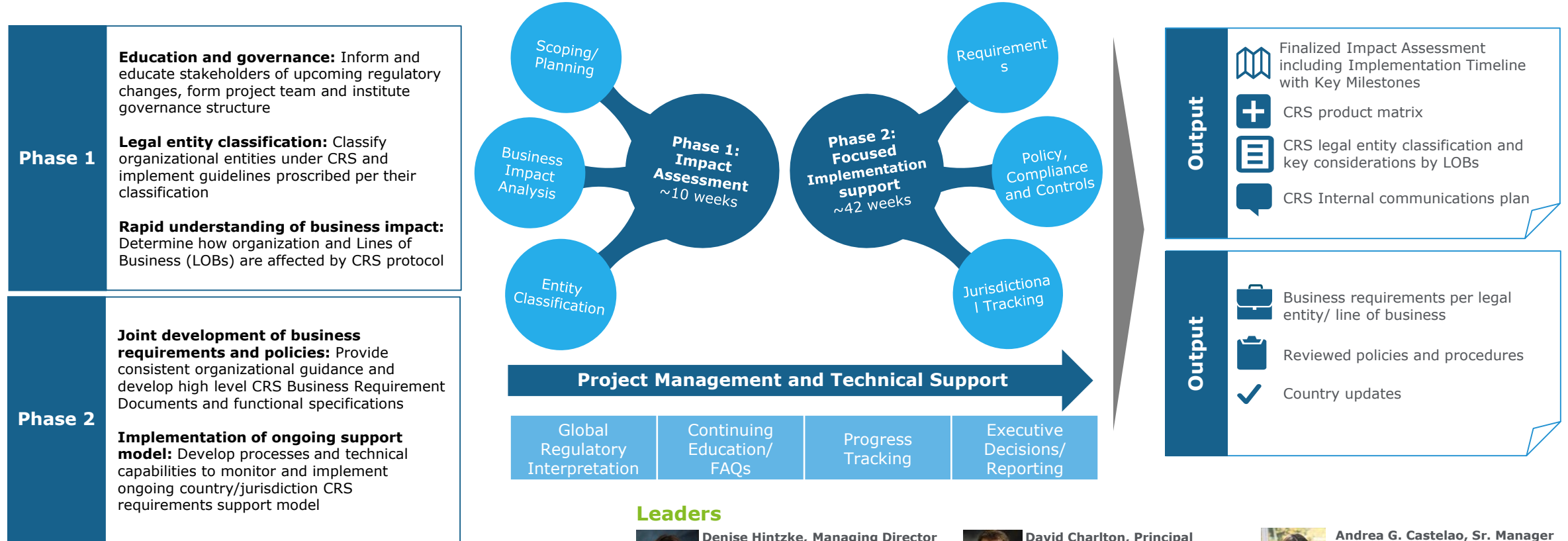
Sources:
[AEOI Commitments list](#) as of 07/26/16
[MCAA Signatories](#) as of 10/21/16



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.



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