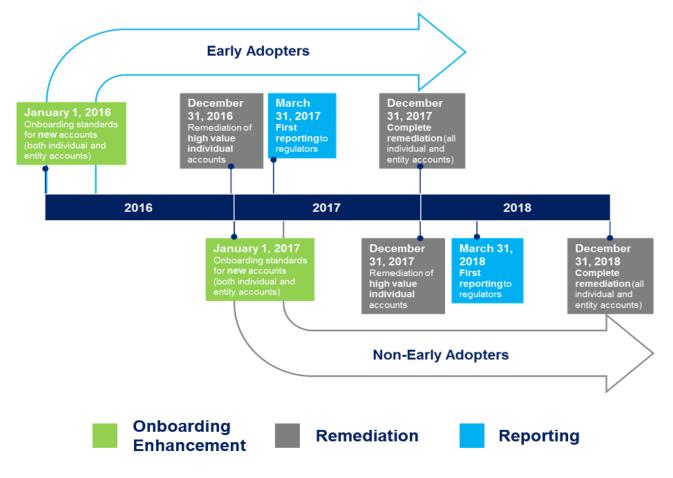
## **Deloitte.**

### **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 ٠



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### Countries to Implement CRS (96)

ined		
uilla	Germany	Mexico
entina	Gibraltar	Montserrat
bados	Greece	Netherlands
gium	Guernsey	Niue
muda	Hungary	Norway
sh Virgin Islands	Iceland	Poland
garia	India	Portugal
man Islands	Ireland	Romania
ombia	Isle of Man	San Marino
atia	Italy	Seychelles
acao	Jersey	Slovak Republ
rus	Korea	Slovenia
ch Republic	Latvia	South Africa
Imark	Liechtenstein	Spain
onia	Lithuania	Sweden
be Islands	Luxembourg	Turks & Caicos
and	Malta	United Kingdor
nce	Mauritius	

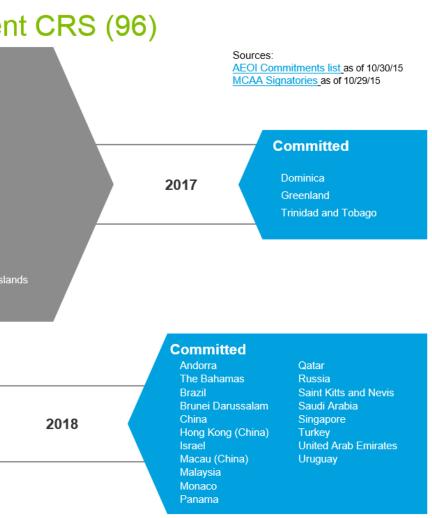
### Signed

inia	Grenada
gua and Barbuda	Indonesia
ba	Japan
tralia	Marshall Isla
tria	New Zealan
ze	Saint Lucia
ada	Saint Vincer
aua	Grenadines
	Samoa
k Islands	Sint Maarter
ta Rica	Switzerland
na	

### **FATCA vs. CRS**

and the

	FATCA	CRS	Key Points
Governing Authority	<ul> <li>United States</li> </ul>	<ul> <li>96 separate tax jurisdictions</li> </ul>	<ul> <li>Requires monitoring of local jurisdictions requirements.</li> </ul>
Withholding	<ul> <li>30% withholding on Non-Compliant Persons</li> </ul>	<ul> <li>No Withholding</li> </ul>	<ul> <li>Enforcement by the tax authorities of the signatory jurisdictions. – jurisdictions subject to peer review by Global Forum</li> </ul>
Account Scope	<ul> <li>US Individual Accounts, US Entity accounts and Passive NFFE accounts held by substantial US owners</li> </ul>	<ul> <li>Individual and Entity accounts held by tax residents of any CRS jurisdiction or Passive NFEs with controlling persons that are resident in a jurisdiction</li> </ul>	<ul> <li>The number of CRS reportable accounts for a Reporting Financial Institution is likely to be greater</li> </ul>
Thresholds	<ul><li>\$ 50,000 individuals</li><li>\$250,000 entities</li></ul>	<ul> <li>None, with the exception of preexisting entity accounts</li> </ul>	<ul> <li>Potentially limited impact for financial institutions that did not apply thresholds</li> </ul>
Documentation requirements	<ul> <li>Forms W-8/W-9 may be used to capture all tax data</li> </ul>	<ul> <li>Must use self certifications</li> </ul>	<ul> <li>Must capture CRS specific data such as multiple tax residency, CRS legal entity classification.</li> <li>Controlling persons required to provide their own self-certification</li> <li>All Passive NFEs will ultimately have to identify Controlling Persons that are individuals</li> </ul>



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Phase 2

## **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.

### Education and governance: Inform and educate stakeholders of upcoming regulatory changes, form project team and institute governance structure

Legal entity classification: Classify Phase 1 organizational entities under CRS and implement guidelines proscribed per their classification

### Rapid understanding of business impact: Determine how organization and Lines of Business

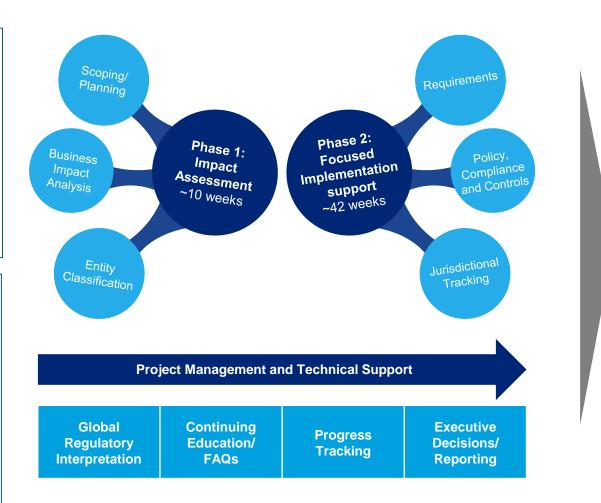
(LOBs) are affected by CRS protocol

### Joint development of business

requirements and policies: Provide consistent organizational guidance and develop high level CRS **Business Requirement Documents and functional** specifications

### Implementation of ongoing support

model: Develop processes and technical capabilities to monitor and implement ongoing country/jurisdiction CRS requirements support model



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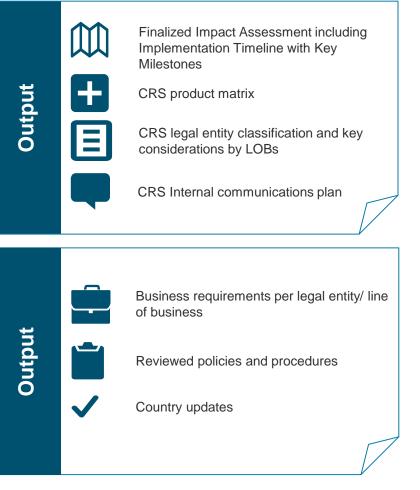
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