

ABOUT COMMON REPORTING STANDARD (CRS)

What is CRS?

Common Reporting Standard (CRS) is an internationally agreed standard for Automatic Exchange of Information (“AEOI”) on financial account information, endorsed by the Organisation for Economic Co-operation and Development (OECD) and the Global Forum for Transparency and Exchange of Information for Tax Purposes.

Why is CRS being introduced?

The CRS, developed in response to the G20 request and approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis for tax transparency purposes. You may find further information on CRS at <http://www.oecd.org/tax/automatic-exchange/>.

How does CRS work?

CRS requires financial institutions to identify their customer’s tax residency and report the customer’s financial accounts to the local tax authority. The local tax authority is expected to exchange this information with the relevant tax authority in a participating country.

What is the status of Singapore’s implementation of CRS?

In Singapore, the CRS Regulations have entered into force on 1 January 2017. Singapore-based Financial Institutions (“SGFIs”) are required to transmit to IRAS the CRS information of their account holders who are tax residents of jurisdictions that Singapore has a Competent Authority Agreement (“CAA”) for CRS.

Is Singapore the only country adopting CRS? Which other countries are adopting CRS?

107 countries have committed to CRS, including all major financial centres around the world. You may view the full list of participating countries at <https://www.oecd.org/tax/transparency/AEOI-commitments.pdf>

What is the Bank required to do?

The Bank is required to:

- i. Seek its customers’ cooperation to identify their tax residency(ies); and
- ii. Report financial accounts held by the customers with foreign tax residents to IRAS.

What does it mean for customers?

The Bank will request that customers complete a self-certification form that includes a declaration of their tax residency. Customers are responsible for completing the self-certification and informing the Bank of changes in circumstances that may impact their CRS classification.

ABOUT TAX RESIDENCY AND REPORTING

What is my tax residency?

Tax residence is defined by each country's local tax laws and therefore may vary from country to country and depending on a particular context. In certain cases, a person could be considered a tax resident in more than one jurisdiction. Please confirm your tax residency with your tax advisor.

Are there any consequences for incorrect certification?

Yes. Under section 105M of the Singapore Income Tax Act it is an offence if any person, in making a self-certification, makes a statement that is false or misleading in a material particular, if that person knows or have reason to believe that such information is false or misleading. Such offence is punishable with a fine not exceeding \$10,000 or imprisonment for a term not exceeding 2 years or both.

What happens if I am unable to provide my tax residency information to the bank?

If you are unable to provide the requested information / certification, the bank will not be able to proceed with the account opening for you.

Will other banks ask me to certify my tax residency?

Yes, all Singapore based financial institutions are expected to comply with IRAS requirements on CRS reporting.

What happens if my tax residency changes?

If there is any change in the information provided to the Bank, you are required to inform the Bank promptly and provide the Bank with a self-certification on your tax residency within 30 days of the changes in your circumstances.

Will my account information in the Bank's possession be publicly available?

Your information will be provided to IRAS. IRAS will then disseminate your information to the relevant foreign country tax authority based on your reported foreign tax residency(ies). It is expected that Singapore's selected partnering countries will have a strong rule of law in place to ensure there is confidentiality of information exchanged which are protected and not subject to unauthorised access or misuse.

I have a trust, will my information be reportable, to whom and how?

You are required to provide the Bank information as to the classification of the trust (e.g. as financial institution or as passive non-financial entity) and provide the tax residency information of the trust's relevant parties, as required. Trust is a complex subject, please seek assistance from your professional tax adviser if required.

If I am a resident of a non-CRS participating jurisdiction, will my information still be collected?

Yes, the Bank will still collect your tax residency status and your information will be reported to IRAS as and when requested by IRAS.

Which countries have Singapore agree to exchange information with under the bilateral Competent Authority Agreement (CAA)?

Please refer to IRAS website on the countries that Singapore has a Competent Authority Agreement (“CAA”) for CRS with. (<https://www.iras.gov.sg/irashome/CRS/>)

What happens if I don't have a tax identification number (TIN)?

You would need to provide a reason for the absence of TIN. Please check the OECD website for jurisdictions that provide information with respect to their TIN (<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/#d.en.347759>) and seek advice from your tax adviser on this if required.

UPDATE OF CUSTOMER INFORMATION AND TAX RESIDENCY STATUS

Why is RHB doing this exercise?

The Bank is updating our corporate customer database as part of our continuous efforts to improve their experience with the Bank. As such, between October to November 2018, the Bank has sent out letters to our corporate customers requesting them to update their information and tax residency status.

What does it mean for customers?

The Bank requests and seeks our corporate customer's cooperation on the following:

- i. to complete the enclosed CRS entity self-certification form that includes a declaration of your and/or your company's tax residences, in order for the Bank to report financial accounts held directly or indirectly by customers who are foreign tax residents to the local tax authority based on updated information under the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("CRS Regulations"). If your company is a Passive Non-Financial Entity, the Controlling Person would also need to complete the CRS controlling person self-certification form; and
- ii. to appoint Approving Person(s), if this has not already been done, and update the Authorised Signatory(ies), if there had been changes. The Approving Person(s) will also be the authorised person(s) to sign-off the CRS entity self-certification form.

For more information on CRS Regulations, customers can refer to the CRS Fact Sheet issued by the Association of Banks in Singapore (link to https://abs.org.sg/docs/library/crs-fact-sheet_7-nov.pdf) or the OECD website (link to <http://www.oecd.org/tax/automatic-exchange/>)

I am not able to complete the forms by deadline stipulated in the letter. Am I able to send it sometime next year?

The IRAS requires Financial Institutions to report the account information of certain non-responsive account holders. If the Bank does not receive your response by the stipulated deadline, the Bank may need to treat your account as a reportable account. Notwithstanding, the Bank will still update our customer database with the completed forms, should we receive the forms after the stipulated deadline.

Is it mandatory to fill in all fields in all the forms?

CRS Entity form is mandatory for all corporate accounts. The Board Resolution form is required if your company has yet to appoint any Approving Persons. Controlling Person Tax Residency Self-Certification Form is meant to be submitted if your company is a Passive Non-Financial Entity (which has been explained in the notification letter). RHB has included the Account Information Update Application Form to assist customers in updating their latest contact details such as email address and contact number and / or contact person/s.

I need assistance to assist me on completing the CRS form. Is there anyone who can assist on this?

If you have any specific questions regarding tax residency matters, please contact a professional tax adviser, as the Bank is unable to provide tax advice. For general information regarding tax residency, you may refer to information made available by the OECD:

<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/taxresidency/>

Why did I receive more than one set of the same letter & forms? Am I required to fill in all the sets?

If your company maintains corporate accounts with separate Unique Entity Number (UEN) number (company registration number), you will need to complete and submit the set of forms separately for each entity. If you are maintaining separate accounts but with similar corporate UENs and similar corporate names, you may submit just one set of forms.

What supporting documents should I provide with the form?

For companies that are appointing new Approving Persons and said persons are currently not a signatory of the corporate account and does not maintain any personal accounts with RHB Bank Berhad, please furnish the Bank with a copy of Singapore NRIC or passport copies for non-Singaporeans (valid for at least 6 months) with valid proof of residential address (dated no later than 3 months ago) for the new appointee/s.

I am not sure if my company is considered as a 'Passive Non-Financial Entity'.

A Passive Non-Financial Entity defined as one where it is not an Active Non-Financial Entity and more than 50% of the gross income for the preceding calendar year or appropriate reporting period is passive income or the assets held during the same period are assets that produce or are held for the production of passive income.

What is the definition of "Approving Persons"?

The person(s) specified in the List of Approving Persons ("Approving Persons") as per the Board Resolution – are authorised for and on behalf of the Company to do the following acts:

i. Opening and Closing of Accounts

To instruct, sign and deliver all documents and to carry out all such acts in respect of any account(s) opening of the type and currency stated in the account opening application form or any other application forms or to close or maintain any account(s) with the Bank in accordance with and subject to the Bank's Terms and Conditions governing such accounts as may be varied, amended or supplemented from time to time by the Bank.

ii. Application for Banking Services

To subscribe, sign and deliver all documents and/or to carry out all such acts and/or things in connection with the application for the banking services (“banking services”), including but not limited to the services mentioned below, offered by the Bank now or in the future in respect of any account(s) opened before or after the date of this resolution (if applicable), in accordance with and subject to the terms and conditions of such banking services specified by the Bank which may be varied amended or supplemented from time to time by the Bank. The banking services includes the following:

- Custodial services
- Electronic services
- Cash Management services
- Remittance and Payment services
- Currencies and foreign exchange related services
- Any other services or transactions

Above documents also includes (but not limited to) the following: -

- CRS Entity self-certification documents
- Request to update bank information

For further enquiries or assistance, please contact our 24-hour Customer Care/Contact Centre hotline at 1800 323 0100 or send enquiry to rhbs.contactus@rhbgroup.com