

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 is 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 purpose. 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?

Singapore has announced that it has committed to implement CRS with the 1st exchange to take place by September 2018. Singapore-based Financial Institutions ("SGFIs") will be 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?

101 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:

- ◆ Seek its customers' cooperation to identify their tax residency(ies); and
- ◆ 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.

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 has 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.

Will real estate property be reportable?

Currently reportable financial assets under CRS does not include a non-debt, direct interest in real estate property. However, shares or units in a real estate investment trust would generally be considered a reportable financial assets.