

Common Reporting Standard (CRS)

Background

Governments around the world are adopting a new Automatic Exchange of Information (AEOI) standard between tax authorities in certain countries. This legislation is known as the Common Reporting Standard (CRS) and is seen as a critical tool in the world wide fight against tax evasion. To date, more than 100 countries, including the UK, Islands (Jersey, Guernsey, Isle of Man) and Gibraltar, have committed to adopting the CRS.

To comply with the CRS, participating jurisdictions must obtain certain customer information from their Financial Institutions and exchange that information on an annual basis with other participating jurisdictions.

How does the Common Reporting Standard impact me?

Under the CRS, FidBank UK is required to identify customers who are tax resident in one country but with financial accounts held in another for inter-jurisdiction reporting purposes. To do this, we need to collect and report certain information on the 'reportable person' and their financial account(s) to the local tax authorities.

Most customers will not need to do anything. Some of our customers will be identified as UK resident for tax purposes in the UK and therefore not 'reportable'. However, there will be some customers who based on the information we hold, we believe to be 'reportable persons' or 'reportable entities'.

If we feel we need further information we will write to you asking you to complete a 'Tax Residency self-certification form'. In some cases we will ask you for a reasonable explanation or additional documentary evidence as proof of tax residency. We may also write to you asking you to contact us so we can update the information we hold on you such as your Tax Identification Number (TIN) or date of birth.

Do I need to do anything?

If you are affected by the CRS we may write to you asking you to either call us or to fill in a Tax Residency self-certification form. We will let you know what we need you to do.

What does the Common Reporting Standard mean for customers?

FidBank UK is obliged to report to the local tax authority, the customers with a financial account who are tax resident in another participating jurisdiction. The local tax authority will then pass this information onto the participating jurisdiction where it has been established that the customers are resident for tax purposes.

Where can I find out more about the CRS?

There has been significant press coverage on CRS and there are many resources available, including on [HMRC's website](#). You may also like to look at the [Organisation for Economic Cooperation and Development \(OECD\) website](#) where more in-depth technical information on the rules governing tax residency have been published by each national tax authority.

Frequently Asked Questions

We have put these FAQs together to help you understand the CRS legislation and why FidBank UK needs to comply as it plays its part in the world-wide fight against tax evasion.

It is intended to answer any questions you may have.

Please note that FidBank UK cannot provide help or advice to customers on CRS or any other tax related matter. If your questions are not answered by the FAQ's on this website or if you do not understand your tax obligations, you may need to decide if you want to seek independent tax advice from a tax or financial advisor.

Frequently Asked Questions

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1. What is the Common Reporting Standard?

The CRS is a global standard for the automatic exchange of financial account information between governments around the world to help fight against tax evasion and protect the integrity of systems.

It requires all Banks and Financial Institutions including FBUK who operate in CRS participating jurisdiction to gather certain customer information and report it to local tax authorities.

2. How does CRS affect FBUK?

FBUK together with other financial institutions across the world is required to comply with the CRS requirements with respect to due diligence and reporting. FBUK is required to identify and report customers that are resident in a participating jurisdiction for tax purposes and are holding a financial account in another.

3. Why are you asking customers about their tax residency?

FBUK needs to comply with CRS legislation. We are obliged under CRS to identify and report customers to HMRC or their local tax authority if we understand them to have a tax residency in a participating jurisdiction which is different to the jurisdiction where the account is held. To do this we need to collect and report certain information relating to their tax residency status.

4. Are all banks doing this?

All banks and their branches in other participating jurisdictions are legally obliged to comply with CRS regulatory requirements.

5. Why are you asking me to complete a tax residency self-certification form?

There may be a number of reasons why we have contacted you, depending on circumstances. We have contacted those customers where we have information that leads us to believe they are resident for tax purposes in a participating jurisdiction, as applicable.

For individual customers with account(s) in a participating jurisdiction, this is usually based on:

- tax residence in another CRS participating jurisdiction
- current mailing or residence address which includes a PO Box number, “in care of” or “hold mail”, in another CRS participating jurisdiction
- one or more telephone numbers in another CRS participating jurisdiction and no telephone number in home jurisdiction
- current effective Power of Attorney or Signatory Authority granted to a person with an address in another CRS participating jurisdiction
- for accounts that are not depository accounts – standing instructions to transfer funds to an account maintained in another CRS participating jurisdiction.

For entities with account(s) in a CRS participating jurisdiction, this is usually based on:

- A place of incorporation or organisation in a reportable jurisdiction
- An address in a reportable jurisdiction
- Where the entity is a trust, an address of one or more of the trustees in a reportable jurisdiction.

6. You already have this information about me, why are you asking for it again?

FBUK is obliged under the CRS to report customers to HMRC or their local tax authority if we have information about them which leads us to believe they hold a financial account and are

resident for tax purposes in one of the CRS participating jurisdictions. We think that some of the information we hold about you is missing or incomplete. We need to ask you for this information again so we can understand if we need to send your details to your local tax authority.

7. Why are you sending my tax details to HMRC or my local tax authority and reporting me?

A customer may be reported to HMRC or their local tax authority if we have information about them which leads us to believe they hold a financial account and are resident for tax purposes in one of the CRS participating jurisdictions.

8. What information are you reporting about me?

The following information will be reported:

For Individuals/Controlling Persons

- Name, address, date of birth of financial account holders
- Place of birth
- Country(ies) of tax residence
- Tax Identification Number (or equivalent where applicable)
- Account details
- The total account balance or value of your accounts as of the end of the calendar year or other appropriate period.
- Gross amount of interest, gross amount of dividends, and the gross amount of other income or the proceeds from the sale or redemption of investments paid or credited to the account.

For Entities

- Name and address
- Country(ies) of tax residence
- Tax Identification Number (or equivalent where applicable)
- Account details
- The account balance or value as of the end of the calendar year or other appropriate period.
- Gross amount of interest, gross amount of dividends, and the gross amount of other income or the proceeds from the sale or redemption of investments paid or credited to the account
- For some entities the information on the controlling person (please refer to above individual section).

9. What accounts does CRS apply to?

CRS applies to certain accounts with investment features such as savings, current accounts, cash value life insurance and certain other investments. However, CRS regulations allow for certain exceptions such as lending products and loans.

10. I have closed my accounts with you, do you still have to report me?

If you have closed your account during the reporting year we may still send you a letter asking you to confirm where you were resident for tax purposes. We may still need to report you to the local tax authorities where the account is held. We will only report you for the year in which the account was closed

11. What if I don't complete and return the self-certification form?

If you do not complete and return the self-certification form back to us then we are required to report the information we hold about your account to HMRC or your local tax authority.

12. I disagree and do not think that I should be reported. What can I do?

We understand that you may be unhappy that we shall be reporting you as tax resident in the UK or a CRS country to HMRC your local tax authority. However, we are legally obliged to comply with CRS legislation, which has been introduced into law and the information we hold on you leads us to believe that you are resident for tax purposes in a CRS participating jurisdiction.

If you do not believe we should be sharing your information with the local tax authority you should contact us and advise us. We will re-issue a tax residency self-certification form which you should complete and return along with a reasonable explanation or any documentary proof requested such as a passport/driving licence as proof of residency for tax purposes.

13. I have received more than one letter/request for information - do I need to respond to them all?

It may be that you will receive more than one letter, as other financial institutions may have written to you for the same reasons as us, if you have accounts with them. You should complete every request.

14. I have already completed a return for FATCA or CDOT, why do I need to provide another for CRS?

Following the United States of America's (US) Foreign Account Tax Compliance Act (FATCA) legislation and the Crown Dependencies and Overseas Territories' (CDOT) legislation, the UK has committed to the CRS and the Automatic Exchange of Information with other participating jurisdictions throughout the world. The CRS agreements are separate to the FATCA/CDOT agreements.

For entities:

- Under both FATCA and CDOT we have to establish where your entity is resident for tax purposes and what type of entity it is under a specific set of classification rules. This means we may have to ask you to complete a separate self-certification form for FATCA/CDOT and CRS. We can then accurately classify your organisation which will help us understand if we need to report it under either FATCA or CRS legislation as we cannot always rely on the FATCA classification for CRS, and vice versa.

For Individuals/Entities:

- Under both FATCA and CDOT and now CRS we have to establish where you are resident for tax purposes so that we can work out if your account is reportable to the relevant tax authority. If any of the information we hold for you changes and suggests your tax residence may have also changed, for example, if you move to a different country, or if you have information on your account that conflicts with your country of tax residence, we may need to contact you again to re-confirm where you are resident for tax purposes to ensure our records are accurate and that they are up to date.

15. I have not consented to being reported, does this mean you are in breach of the Data Protection Act?

No. We are required by law to share this data with relevant tax authorities.

However, to meet the fairness requirements of UK and local data protection legislation, our terms and conditions does state that your details have been, or may be, transferred to the relevant tax authority and subsequently shared with other authorities as appropriate. Full details of our privacy policy can be found in your Terms and Conditions.

16. Where can I find the forms I need to complete?

The forms are as follows:

- [CRS – I: Individual tax residency self-certification form](#)
- [CRS – E: Entity tax residency self-certification form](#)
- [CRS – CP: Controlling Person tax residency self-certification form](#)
- [Active Trade Declaration](#)

17. I want to complain about having to complete the self-certification form?

If you are unhappy that we have asked you to complete the tax residency self-certification form which we have sent you asking you provide your country(ies) of tax residence & TIN to allow us to confirm where you are tax resident as we are obliged to do under the CRS legislation please let us know.