

CRS & FATCA Update

September 2017



Bermuda

Common Reporting Standard

Tax authorities in Bermuda issued an updated version (v2.0) of the tax information reporting portal user guide, providing guidance to Bermuda financial institutions on viewing transmission progress, recording errors, and submitting common reporting standard (CRS) corrections.

[Tax Information Reporting Portal - User Guide](#)



British Virgin Islands

Common Reporting Standard

The government of the British Virgin Islands released an update of its Reportable Jurisdictions list applicable to the reporting period from

- 1 January 2016 to 31 December 2016

to include Croatia and Poland.

Common Reporting Standard



France

The French Tax Authorities issued updates on Due diligence requirements for low-value accounts of the CRS guidance for French Reporting FIs.

[Due diligence for low value accounts \(French\)](#)



Hong Kong

Common Reporting Standard

The Inland Revenue Department of Hong Kong updated the AEOI portal webpage to provide information for Trustee - Documented Trusts.

The update defines the term

- “Trustee Documented Trusts (TDT)” and
- provides registration and reporting guidelines for trustees of TDTs.

IDR provides clarification that Trustees responsible for reporting information for more than one TDT have to use separate data files.

[IDR - Registration and Return Filing via AEOI Portal](#)

In addition, the Inland Revenue Department of Hong Kong issued updates to

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- Chapter 3 (Reporting Financial Institutions),
- Chapter 9 (Due Diligence: Pre - existing Individual Accounts) and
- Chapter 10 (Due Diligence: New Individual Accounts)

of the AEOI Guidance for Financial Institutions.

[Chapter 3](#), [Chapter 9](#), [Chapter 10](#)

Common Reporting Standard

Japans National Tax Agency released a set of documents supporting FIs preparing XML and CSV files for the reporting of the CRS returns.

- XML file input rules - [XML file input rules](#),
- Sample XML file - [Sample XML file](#),
- Creating CSV files - [Creating CSV Files \(Japanese\)](#),
- CSV file input rules - [CSV file input rules \(Japanese\)](#);
- Sample CSV - [Sample CSV](#).

Additionally, the National Tax Agency of Japan provides an updated list of countries (as of 07 August 2017) with whom Japan expect to conduct automatic exchange of information based on CRS.

Japan has 51 data exchange agreements activated. ([OECD Activated Exchange Relationship for CRS Information](#))

The first exchange is scheduled for 2018.

Common Reporting Standard

[Global Forum on Transparency and Exchange of Information for Tax Purposes](#)

Greenland, Cambodia, Madagascar and Haiti have joined the Global Forum on Transparency and Exchange of Information for Tax Purposes as its 143rd, 144th, 145th and 146th members. By joining the Global Forum, these Jurisdictions announcing their commitment to implement the

- international standard of exchange of information on request' and
- standard on automatic exchange of financial account information.

Greenland is also committed to start its first automatic exchanges of financial account information in 2018.

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Japan



OECD

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CRS Status XML Schema and User Guide for Tax Administrations

A CRS Status Message XML Schema User Guide for Tax Administrations was released on 20 September. The Guide contains the updated version of the OECD's standardised IT-format of the CRS Status Message XML Schema (*CRS XML Schema*), as well as the related User Guide (*User Guide*).



Switzerland

FATCA

The Swiss State Secretariat for International Financial Matters issued a release announcing that the U.S. tax authority (IRS) extended the deadline for Swiss financial institutions to renew their foreign financial institution (FFI) agreement.

The deadline was originally 31 July 2017, but has been extended to 24 October 2017.

FFI agreements (based on the Model FFI agreement) signed prior to 1 January 2017 expired on 31 December 2016



Singapore

As part of the Revenue Procedure 2017-163, the IRS published a new model FFI contract, which is applicable since 1 January 2017

Common Reporting Standard

Singapore has activated exchange relationships under the CRS MCAA have with the following jurisdictions: Belgium, Brazil, Bulgaria, Canada, Cyprus, Faroe Islands, Gibraltar, Greece, Guernsey, India, Indonesia, Isle of Man, Jersey, Luxembourg, Mexico, Portugal, Slovak Republic, Spain, Uruguay.

Singapore has 34 data exchange agreements activated. ([OECD Activated Exchange Relationship for CRS Information](#))

The first exchange is scheduled for 2018.



Vietnam

FATCA

The State Bank of Vietnam issued Official Letter No. 6226//TTTGSNH ("OOL 6226") to Vietnam Financial Institutions and branches of foreign financial institutions.

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The letter provides guidance on the FATCA implementation in Vietnam in accordance with the Intergovernmental Agreement between Vietnam and the United States.

OL6226 provides guidance on the below listed topics

1. Registration of Vietnamese FIs
2. Exempt beneficial owners (as regulated in Annex II - IGA)
3. Registration of a Global Intermediary Identification Number (GGIIN)
4. Obligation to Obtain and Exchange Information with Respect to US Reportable Accounts
5. Reporting deadline. The deadline for Reporting FIs in Vietnam to submit their FATCA report with the SBV is 15 August. If 15 August falls on a weekend or public holidays, the reporting deadline will be the working day preceding said weekend or public holiday
6. Obligation to review for identification and reporting of US account holders Obligations to Obtain and Exchange Information with Respect to US Reportable Accounts
7. Reporting form and detailed instructions for declaring information on the reporting form
8. Account balance aggregation and currency conversion rules
9. Security
10. Reporting regime via electronic file



USA

FATCA

- [International Data Exchange Service \(IDES\) - Updates](#)

The IRS has released an updated version of the Foreign Account Tax Compliance Act (FATCA) International Data Exchange Service (IDES) — Publication 5190 (Rev. 04-2016).

The updated version reflects changes made since the last version of the user guide was published in August 2015, including:

- Updates to the data packaging process for changes to cipher block chaining (CBC) cipher mode

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- Information that IDES no longer accepts data packets encrypted with the electronic code book (ECB) cipher mode, and that all users must transmit data packets with the CBC cipher mode
 - User tips that may be referenced during open testing periods
 - A new section on information and resources for assistive technology available in the “IDES gateway”
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- [Notice 217-46 issued by the IRS](#)

The IRS has issued Notice 2017-46 on 25 September.

[IRS Notice 2017-46](#)

Below are the major key findings described

1. No significant non-compliance if TIN is not reported on pre-existing account

With respect to reporting on pre-existing US reportable accounts, a Reporting Model 1 FFI will not be treated as significant noncompliant under FATCA for the years 2017, 2018 and 2019 solely as a result of its failure to report US TIN's as long as the FI

- provides the account holder's date of birth,
- makes annual requests for the TIN, and
- searches its electronic records for missing US TINs before reporting 2017 information.

2. Foreign TIN not provided

A reasonable explanation why a foreign TIN has not been issued to an account holder is not required for an account held by a resident of a jurisdiction that is identified by the IRS on a list of jurisdictions that does not issue a foreign TIN.

3. TIN Validation

A FI is not required to validate the format or other specifications of a foreign TIN against an applicable jurisdiction's' TIN system.