

# TTS Cash Accounts – The Common Reporting Standard (CRS)

## Frequently Asked Questions

**PLEASE NOTE: The following information is of a general nature and specific arrangements between participating countries could deviate from the template provided by the CRS, or local law may differ in certain respects.**

### **What is the CRS?**

CRS stands for the “Common Reporting Standard”.

The CRS was developed by the Organisation for Economic Cooperation and Development (OECD) to establish a model for the automatic exchange of information on financial accounts among participating countries in order to combat tax evasion globally. The CRS is drawn largely from the Model 1 intergovernmental agreement (IGA) that many countries have entered into to implement the Foreign Account Tax Compliance Act (FATCA), the law enacted by the United States to curb U.S. tax evasion.

The CRS sets forth the standard rules under which financial institutions are required to collect information and documentation from account holders about their tax residence status and to report certain personal and financial information to the local tax authority. In turn, the local tax authority will annually exchange information on tax residents in other countries with which the reporting country has entered into a Multilateral Competent Authority Agreement or Competent Authority Agreement. Over 90 countries have committed to implement the CRS over the next few years.

### **What information is reported to tax authorities?**

The reported information will typically be of a personal nature (for example, name, address, tax residence country or countries and taxpayer identification number), and of a financial nature (for example, account number, account balance and amounts paid into the account).

### **What is the impact of the CRS?**

Reporting under CRS applies to financial account(s) held by reportable persons (i.e., persons who are resident for tax purposes in a participating country and are not excluded from such reporting).

Citi - Treasury and Trade Solutions (TTS) is committed to being fully compliant with the CRS in all participating countries where it has an office. We will therefore be contacting our customers to determine their CRS reporting status and tax residence country or countries using a standard self certification. Depending on the information and documentation collected, Citi may be required to report information to the local tax authorities regarding your account(s) and that information may be exchanged with the tax authorities in the country or countries in which you are considered a tax resident.



**How do I know if I am affected?**

The CRS affects both individuals and entities that are treated as reportable persons under the CRS. The CRS also affects certain types of passive non-financial entities or investment entities located in non-participating countries whose controlling persons may also be reportable.

If you are resident for tax purposes in any of the CRS [participating countries](#) you are most likely affected. For more information regarding the CRS, please visit the [OECD website](#) at [www.oecd.org/tax/automatic-exchange/crs-implementation-andassistance/](http://www.oecd.org/tax/automatic-exchange/crs-implementation-andassistance/) or contact your tax advisor.

**What Types of Account Holders are excluded from CRS reporting?**

The following types of account holders are excluded from reporting under the CRS:

- Financial Institutions (other than investment entities located in a non-participating country)
- Corporations whose stock is actively traded on an established securities market
- Entities related to a corporation whose stock is publicly traded
- Government Organizations
- International Organizations
- Foreign Central Banks

An account holder may establish that it is excluded from CRS reporting by certifying to any one of these categories on a CRS self-certification.

**What do I need to do if I am affected by CRS?**

Generally, for accounts held in countries that are early adopters of CRS, you may need to provide a completed [CRS self certification](#) as part of your account opening process. If you are an existing client, we will be soliciting you as part of pre-existing account due diligence.

Please note that you may receive more than one request for a CRS self-certification if you have multiple relationships with different business lines or legal entities within Citi. It is therefore important that you respond to all requests, even if you believe you have already supplied the requested certification to one business line or Citi legal entity.

**What impact does CRS have on Time Deposits and other similar interest-bearing products, including a placement made without a standard cash account?**

Under CRS, any Time Deposit, Minimum Maturity Time Deposit (MMTD) or similar interest-bearing instrument is considered a financial account and is subject to requirements similar to standard deposit accounts. Starting January 1, 2016, clients wanting to place any of these types of deposits in participating countries will be subject to CRS due diligence procedures. TTS will be soliciting clients to provide a self-certification to ensure that we can continue to offer these products.

**How does CRS impact existing Time Deposits?**

According to CRS, each time a client opens a Time Deposit, a new account is created, an existing base is reused. As a result, a CRS self-certification form must be provided by each existing Time Deposit clients. Once submitted, Citi will validate the CRS document.

**If I am a client who has booked a Time Deposit prior to January 1, can I book a Time Deposit without a CRS self-certification after January 1?**

No. Citi Time Deposit Booking systems have functionality in place to restrict the booking of new time deposit deals including roll-overs if a valid CRS self-certification is not in place for the client. So prior to completing the booking, a valid CRS-self certification must be on file.



**Does the CRS replace existing tax documentation requirements that I already follow?**

The CRS does not replace any existing tax documentation obligations. It does, however result in a new tax documentation requirement that is in addition to the existing tax requirements you already follow. We recommend you contact a tax advisor as part of completing any CRS required self-certification.

**When will the CRS become effective?**

The CRS is due to become effective on 1 January 2016 for “early adopter” countries. The exact start date for each country is contingent on the enactment of local country legislation. The actual start date for the CRS may vary from country to country. Citi is monitoring country activity to ensure we are in compliance with CRS.

**How does CRS affect general account terms and conditions?**

The CRS impacts both individual and entity customers who hold an account with Citi – TTS. The CRS is separate and distinct from any account opening agreement you have signed with Citi and will not affect the general terms and conditions of your account.

**What is changing?**

Citi – TTS global tax policy for the cash business is being revised to fully implement due diligence as required under the CRS regulations. To effectively comply with these new rules, Citi - TTS Cash will require that a self-certification form be collected from each customer that holds an account in a CRS participating jurisdiction.

**What is a CRS Self certification form?**

A CRS self-certification form is a form to be obtained from an account holder to certify the tax residency status of the account holder and its CRS reporting status. The account holder is responsible for accurately completing the CRS self certification form.

**Will Citi supply me with the CRS Self certification form I need to complete?**

Yes. If Citi requires you to complete a CRS self-certification form as part of account opening processes, we will send you the relevant forms. You can also access this site [CRS self certification](#) to view the forms as well.

**When do I have to provide the requested information and/or Self-certification form for CRS?**

Customers should supply the requested documentation and information by the date contained within the account opening pack. Clients with existing accounts will receive separate communications.

**What will Citi do if I do not provide the information required under CRS?**

Citi is committed to being fully compliant with CRS in all countries were local laws have been passed supporting CRS.

Under current OECD guidance, Citi may not open new accounts or offer additional products and services to customers who choose not to comply with Citi’s requests for documentation required to establish an account holder’s status under the CRS.

**Can I provide my own version of the Self certification form?**

Yes. As long as Self-certification form meets key language as required by OECD regulations and Citi guidance.

**Who should I contact if I have difficulties in completing the Self certification form?**

You should engage your Tax Advisor or visit the CRS implementation web site at the OECD for country-by-country information on tax residency: [www.oecd.org/tax/automaticexchange/crs-implementation-and-assistance](http://www.oecd.org/tax/automaticexchange/crs-implementation-and-assistance). Citi can help with general questions but cannot provide advice your tax status. Should you have questions on completing Citi’s CRS self certification form, you can email Citi at [FATCACustomerServ.Inquiries@citi.com](mailto:FATCACustomerServ.Inquiries@citi.com)



**Who should sign the CRS Self certification form?**

An authorized individual must sign the form on behalf of the Account Holder and indicate the capacity (officer title, director, partner or power of attorney, etc.) The signer should not sign “authorized signer” but instead clearly indicate the capacity.

**What happens if I complete the self certification form incorrectly?**

You will be informed via our account services unit and/or your account manager if the form is incomplete or invalid. Additional documentation may be required to rectify the invalid form or a new form may need to be completed and submitted to Citi.

**What will Citi do with the information I provide?**

Accounts identified as reportable accounts will be reported to the local tax authority in the country where the account is maintained. To facilitate this reporting to the government tax authority, Citi will seek CRS self-certification forms from:

- New clients opening accounts
- Existing clients opening accounts for which a valid CRS Self-certification is not already on file
- Existing clients opening account(s) in a different jurisdiction(s) from one where a previous account was opened

**How frequently will I have to provide information for CRS purposes?**

CRS is an ongoing monitoring and due diligence process. If there is any change to the information supplied to Citi that constitutes a change in your circumstance which affects your tax residency status, you are required to inform Citi of such changes within 30 days of its occurrence. You may need to provide an updated CRS self-certification form due to a change in circumstances.

**I need to update an address on existing accounts; will a new self-certification form be required?**

A change of address will not require completion of a new CRS self-certification form or the provision of additional documentation, unless the new address is in a different country.

**I already have an account at Citi; will I need to provide a CRS self certification form?**

Generally, if a valid self-certification is already held by Citi for another account, you will not be required to provide another self-certification form if you continue to do business in the same jurisdiction. However, if you are opening a new account and the information conflicts with information held in Citi systems (i.e. change in tax residency, TIN, etc.) you will be required to complete a new CRS self-certification form.

**I am not tax resident in any of the CRS countries, do I need to complete a CRS self-certification form?**

Yes. All clients opening accounts in CRS participating jurisdictions irrespective of where they are a tax resident, must complete a self-certification form. An entity that has no tax residence country because it is a fiscally transparent entity should provide the place where its effective management is situated as its tax residence country.



**What does TTS have to do to comply with CRS?**

To comply with CRS, TTS will:

- Request a CRS Self-certification form to be obtained during the account opening process for new accounts.
- Request a CRS Self-certification form to be obtained from existing customers when one hasn't previously been obtained.
- Request a CRS Self-certification form from existing customers opening incremental accounts in jurisdictions different from where an existing account is maintained.
- Request a new CRS Self-certification or other documentation from existing customers if/when information in our records conflicts with information supplied by the customer.
- Request a CRS Self-certification from controlling persons of entities which are regarded as passive NFEs.
- Validate the CRS self-certification form to determine the customers CRS status and tax residence status.
- Report information to the local tax authority on all accounts held directly or indirectly by reportable persons. In addition, TTS may also need to report information about pre-existing accounts for customers who do not provide the required documentation.

**How will CRS Self certification forms be validated?**

TTS is required to perform certain due diligence procedures to determine whether or not a self-certification form is complete and reliable in accordance with standards set forth in the CRS. This process includes a review of information gathered pursuant to Citi's Know-Your-Customer (KYC) and Anti-Money Laundering (AML) procedures for consistency with the self-certification form. Unless local law prohibits the transfer of customer information across a country's borders, TTS has largely centralized its tax form due diligence and validation process in Delaware. In addition, it employs a CRS Self-certification form validation system to ensure consistency in the results.

**Is TTS the only business line to be affected by CRS?**

No. All business lines that create and maintain financial accounts on behalf of customers are affected by the CRS. However their approach to implementing the CRS requirements may differ.

**Does Citi TTS need to receive an original hard copy of a self certification form for it to be valid?**

No. TTS accepts scanned or portable document format (PDF) versions of the CRS Self-certifications that are submitted by email.

**What is the definition of a Controlling Person?**

"Controlling Persons" mean the natural persons who exercise control over an Entity. The term Controlling Person corresponds to the term "beneficial owner" of an entity, as described in Recommendation 10 (and the Interpretative Note) of the Financial Action Task Force Recommendations (as adopted in February 2012). If an account holder is (1) a Passive Non-Financial Entity or (2) an Investment Entity located in a non-CRS country and managed by another financial Institution, then CRS requires that a CRS Self-certification Form be provided to identify each Controlling Person of such entities. This information will be used to determine whether any of the Controlling Persons are Reportable Persons.



**What is “control” over an entity?**

Control over an entity is generally exercised by the natural person(s) who ultimately has/have a controlling ownership interest (typically on the basis of a certain percentage (e.g., 25%) in the entity. Where no natural person (exercises control through ownership interest, the Controlling Person(s) of the entity will be the natural person(s) who exercises control of the entity through other means. Where no natural person(s) is identified as exercising control of the entity (for example where no underlying person has control or than 25% of the entity) the Controlling Person of the entity is deemed to be the natural person who holds the position of senior managing official. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries must always be treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust.

**How long does a valid CRS self certification form remain in effect?**

A CRS Self-certification remains valid and does not expire, unless a change in circumstance occurs that makes information or statements made in the self-certification unreliable, incorrect or incomplete. An account holder (or Controlling Person) is obligated to inform Citi within 90 calendar days of the occurrence of a change in circumstances that affects the continued reliability of the previously provided self certification.

**What is the time frame to remediate a “change in circumstance”?**

Within 90 calendar days following the notice to or discovery by the Financial Institution of the change in circumstance, an account holder (or Controlling Person) is obligated to provide a suitably updated CRS self-certification and/or, if necessary, curative documentation.