



## Frequently asked Questions: Common Reporting Standards (CRS)

### What is CRS?

CRS or Common Reporting Standard is a regime developed by the OECD to facilitate and standardise the exchange of information on residents' assets and income, primarily for taxation purposes, between numerous jurisdictions around the world. Officially referred to as the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard, this agreement requires sharing of information between the local tax authorities of different countries about of financial accounts and investments.

### When will CRS be implemented?

- United Kingdom will implement CRS from **1 January 2016**
- South Africa has committed to implement this with effect from **1 March 2016**

### Who is affected?

How you are affected will largely depend on whether or not you are a South African/UK resident or South African/UK entity for tax purposes. However you could be impacted if you fall into any of the following categories:

- If you acquire or already hold investments through an insurance or investment firm, or if you are a trustee of or have an interest in some types of trust(s)
- If you spend a lot of time living or working outside of SA/UK and if you a tax resident of another country. You could also be a tax resident of multiple countries
- If you are a South African/UK tax resident and you hold an account in another country, SARS/HMRC will receive information about said status
- If you are a tax resident of another country with which SA/UK has an exchange information agreement, RMB will forward information about your account to SARS/HMRC, and SARS/HMRC in turn will pass the information to your country of tax residence

### What information is required from an individual account holder?

If you open an account in the UK from 1 January 2016 or an account in SA from 1 March 2016 you will be asked to provide your tax residency. You will also be asked for your tax identification number.

You may also be contacted by RMB, if you have provided certain information such as a foreign correspondence address, that indicates you could be a non-SA tax resident for accounts that have already been opened as at 31 December 2015 (UK) and 28 February 2016(SA). If so, we will ask you to confirm your tax residence status.

### What is required from company/entity accounts?

Accounts opened by you in the name of a company, branch of a foreign company, partnership or trust are referred to as 'Entity Accounts'.

You will be asked questions regarding the tax residence status of such entity, and in some circumstances for details of individuals who are shareholders or directors of the entity, or who are the beneficiaries of a trust.

### Responding to RMB requests regarding your tax residency - are there any penalties for non-compliance?

Unlike the US Foreign Accounts Tax Compliance Act (FACTA) regime, CRS does not call for any withholding tax to be applied. However should you not supply the requested information, RMB will be required to report you as undocumented to SARS.

It is important that you respond if you are contacted by RMB requesting information in relation to an account that you hold (for example, you may be asked for a self-certification of your tax residency status).

If you do not respond, the account provider may conclude that you are tax resident in another country based on information it already holds, and forward your financial information to SARS.

### What information will be shared under the agreements?

Information collected by RMB and other SA financial account providers will be sent to SARS. SARS will share information with the tax authority of another country (where SA or UK have signed an agreement with them) if the account is held by one of their tax residents. In turn, SARS will receive information about SA tax residents who hold accounts outside of SA.

### Summary of when information will be shared to and from SARS to other participating jurisdictions:

Tax residence of account holder	Location of financial account	Information reported
SA Tax resident UK Tax Resident	SA UK	None*
SA Tax resident UK Tax resident	Outside of SA Outside of UK	SARS/HMRC will receive financial account information from the tax authority(ies) of the country(ies) where the account(s) is/are located**
Non-SA resident Non-UK resident	Outside of SA Outside of UK	SARS/HMRC will receive financial account information and pass it to the tax authority(ies) of the countries where the account holder is a tax resident**

### What information will be shared with SARS/HMRC?

**Demographic information:**

- Name
- Address
- Tax residency
- TIN (Tax Identification Number)
- Date and place of birth

**Account details:**

- Interest dividends
- Account balances
- Income from insurance products and sale proceeds

It's important to note that RMB will not be able to provide tax advice to you, for example, on your tax residence status. It is your responsibility to provide accurate information in response to requests for self-certification. Should you require assistance, we recommend you contact a tax adviser to help you.