

Introduction

The OECD has developed a standard for global information exchange which has been widely endorsed:

- On 21 July 2014 the OECD issued the Standard for Automatic Exchange of Financial Information in Tax Matters (The Standard).
- ► The Standard is a global "FATCA-like" automatic information exchange regime aimed at preventing offshore tax evasion and maintaining the integrity of tax systems.
- ► The Standard includes the *Model Competent Authority Agreement* (CAA), the *Common Reporting Standard* (CRS) and accompanying commentaries.
- More than 90 jurisdictions have already committed to the swift implementation of CRS. Of these, 56 are committed to first exchange in 2017.



CRS participation and IGA landscape

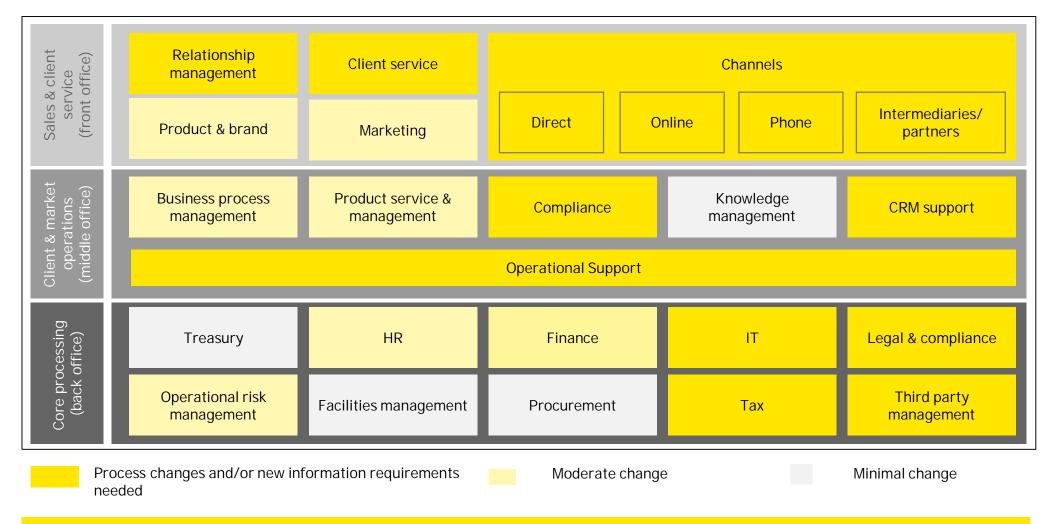
Model 1		FATCA IGA Countries			Model 2	
Anguilla Barbados Belgium Bulgaria BVI Cayman Isl. Colombia Croatia Curaçao Cyprus Czech Rep.	Denmark Dominica Estonia Finland France Germany Gibraltar Greece Greenland Guernsey	Hungary Iceland India Ireland Isle of Man Italy Jersey Latvia Liechtenstein Lithuania	Luxembourg Malta Mauritius Mexico Montserrat Netherlands Norway Poland Portugal Romania	Slovak Rep. Slovenia South Africa South Korea	Bermuda San Marino	Argentina Faroe Islands Niue 56 Jurisdictions hav committed to state CRS compliance CRS compliance 1 January 201 Information current as of October
Antigua Australia Bahamas Brazil Canada	China Costa Rica Grenada Indonesia	Israel Malaysia New Zealand Panama*	Qatar Saudi Arabia Singapore St. Kitts	St. Lucia St. Vincent Turkey UAE	Austria Chile Hong Kong Japan Macao Switzerland	Albania Brunei D. Ghana Russia St. Maarten Andorra Belize Marshall Isl. Samoa Uruguay Aruba Cook Isl. Monaco Second wave adopters (Jurisdictions undertaking first exchanges by 2018)
Angola Azerbaijan Bahrain*	Cambodia Dom. Repub. Georgia Guyana Haiti	Holy See Honduras Jamaica* Kazakhstan Kosovo	Kuwait Montenegro Peru Philippines Serbia	Thailand Tunisia Turkmenistan Ukraine Uzbekistan	Armenia Iraq Nicaragua Paraguay Taiwan	Nauru* Vanuatu* Jurisdictions that have not indicated a timeline or that have not yet committed

^{*} Identified on OECD's "AEOI: STATUS OF COMMITMENTS" as of 30 October 2015

^{**}The United States has indicated that it will be undertaking automatic information exchanges pursuant to FATCA from 2015 and has entered into intergovernmental (IGAs) with other jurisdictions to do so.



To implement CRS, operational changes will be required across your organisation

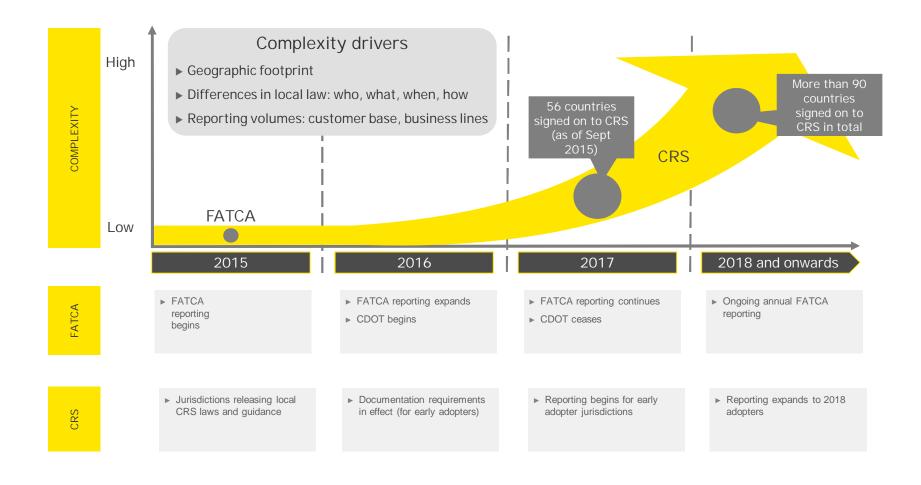


With over 60% of FATCA requirements needing some level of operational change, CRS will require a comprehensive change programme to ensure compliance



Customer tax reporting regulatory environment

- Tax policy will drive increasing complexity in Customer tax reporting

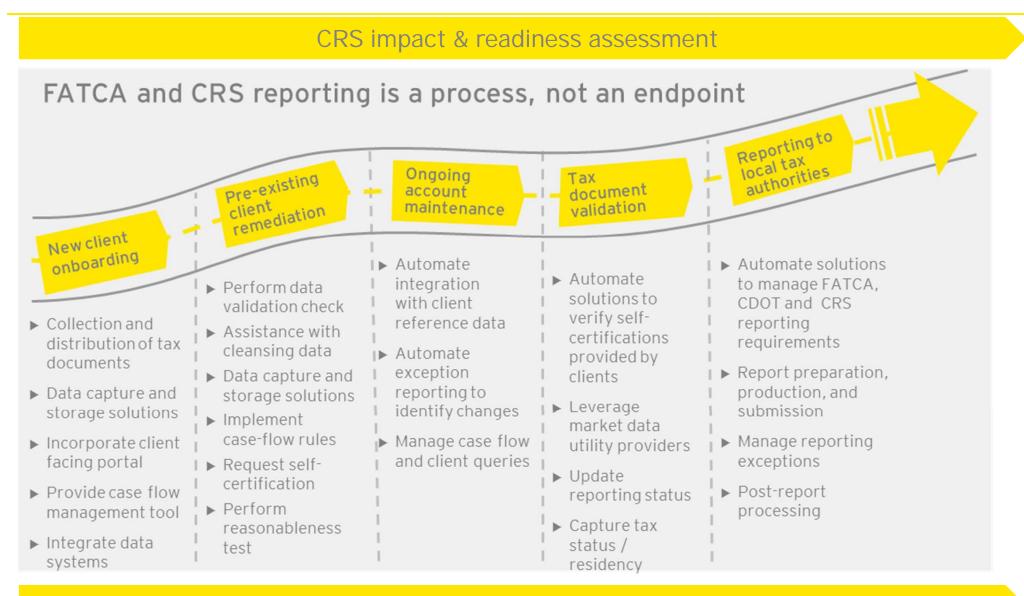




CRS perceived degree of complexity



Compliant reporting requires management of the co-dependency between customer documentation and multi-step reporting process



Change management (customer communication, training etc.)





49%

expect to spend the same or more on CRS compared to FATCA



Timeframe

Only 11 months to 1 Jan 2017 deadline to implement operational changes

63%

of FATCA requirements will require some level of operational change to be ready to deliver CRS compliance.



of organisations think lack of resources is key risk to success



CRS will require a data driven approach requiring significant changes to data management, process and technology

Report the right information, about the relevant customer, to the concerned authority, in the specified format, by the required deadline, for every part of the business, every year

What is required now?

Do now

- Establish program governance, ownership and budget
- Assess current state of FATCA implementation and compare to CRS requirements – what do the operational differences require you to change?
- 3. Assess early adopter countries and establish monitoring for local rules and requirements
- 4. Consider engagement with local industry bodies and tax authorities

Do soon

- Implement new customer onboarding processes for 1 January 2017:
 - a. Collection of new data fields
 - b. Self-certification process
 - c. T&Cs revision to allow for CRS
 - d. Customer communication and information development
- Roll out training and colleague communications to support new customer onboarding and reviews
- Design the pre-existing account review protocols to be implemented

Future years

- Deliver reporting solution including queries and complaints management
- 2. Review pre-existing customer remediation reviews and customer communication
- 3. Establish assurance and controls program
- 4. Return of program to BAU
- Confirm if improvements to customer journey, controls or FATCA alignment are required

Ongoing FATCA delivery – income reporting, pre-existing account reviews, communications with customers, handover to BAU

Monitor for changes and local variations



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