



Exchange of Financial Account Information Operational Awareness Workshop

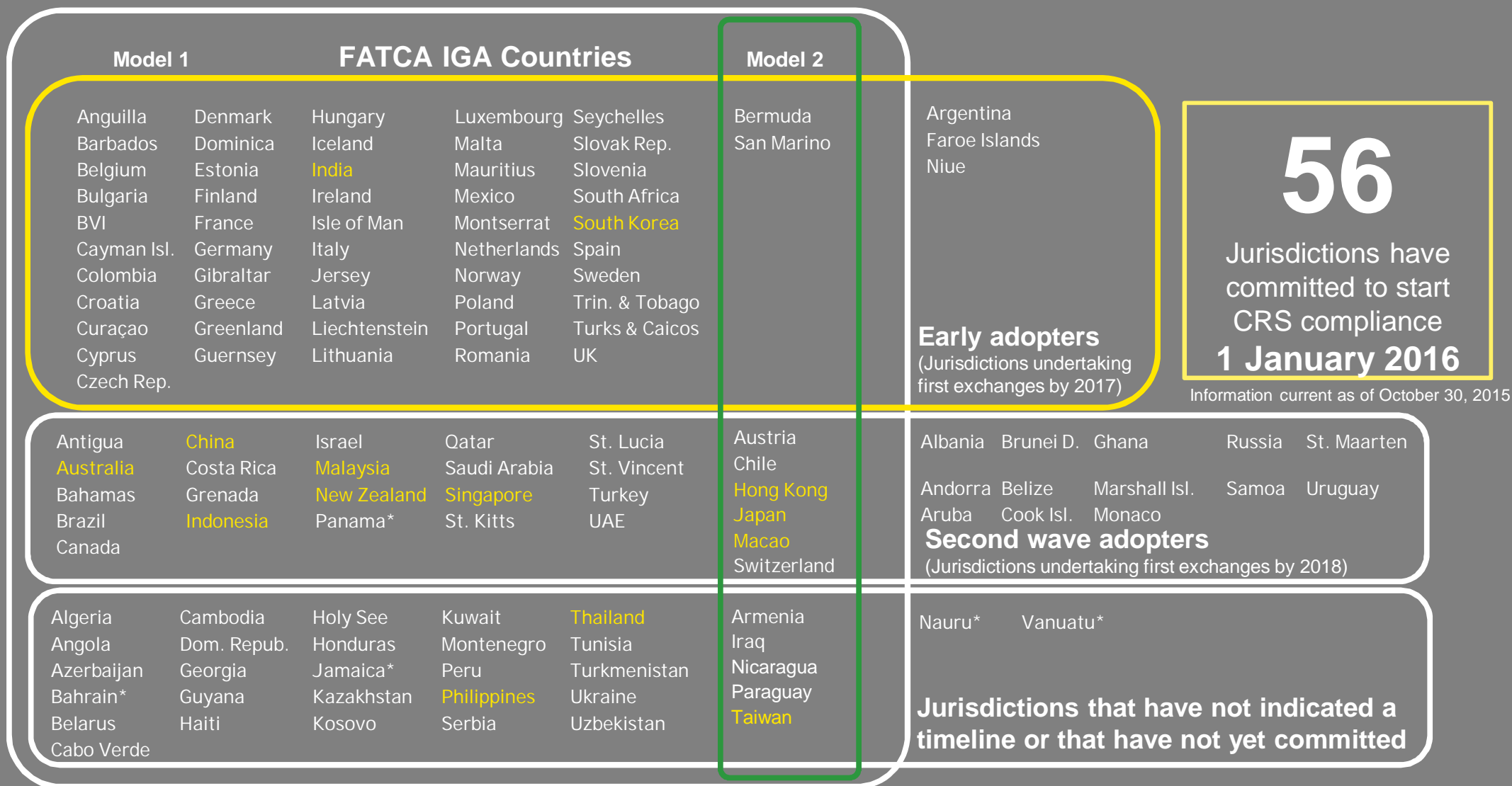
February 2016

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.

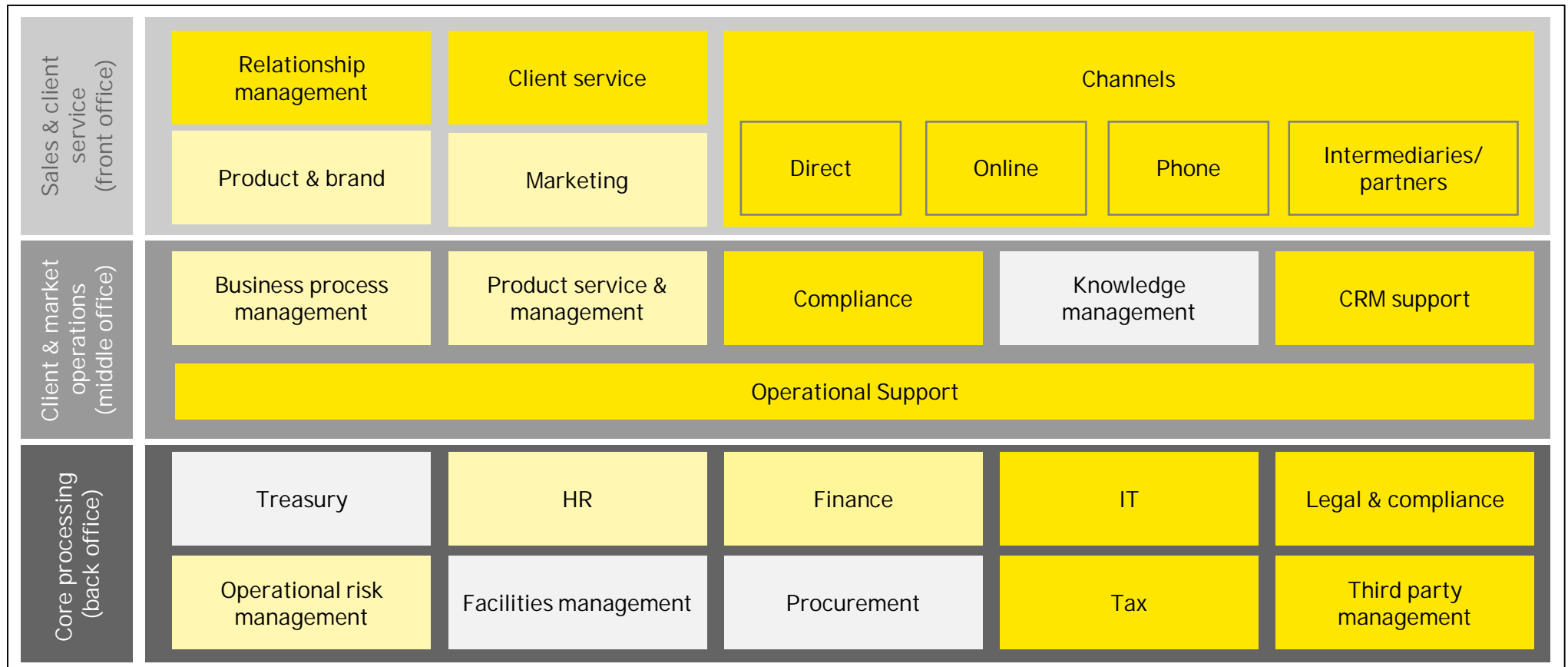
CRS participation and IGA landscape



* 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



Process changes and/or new information requirements needed



Moderate change

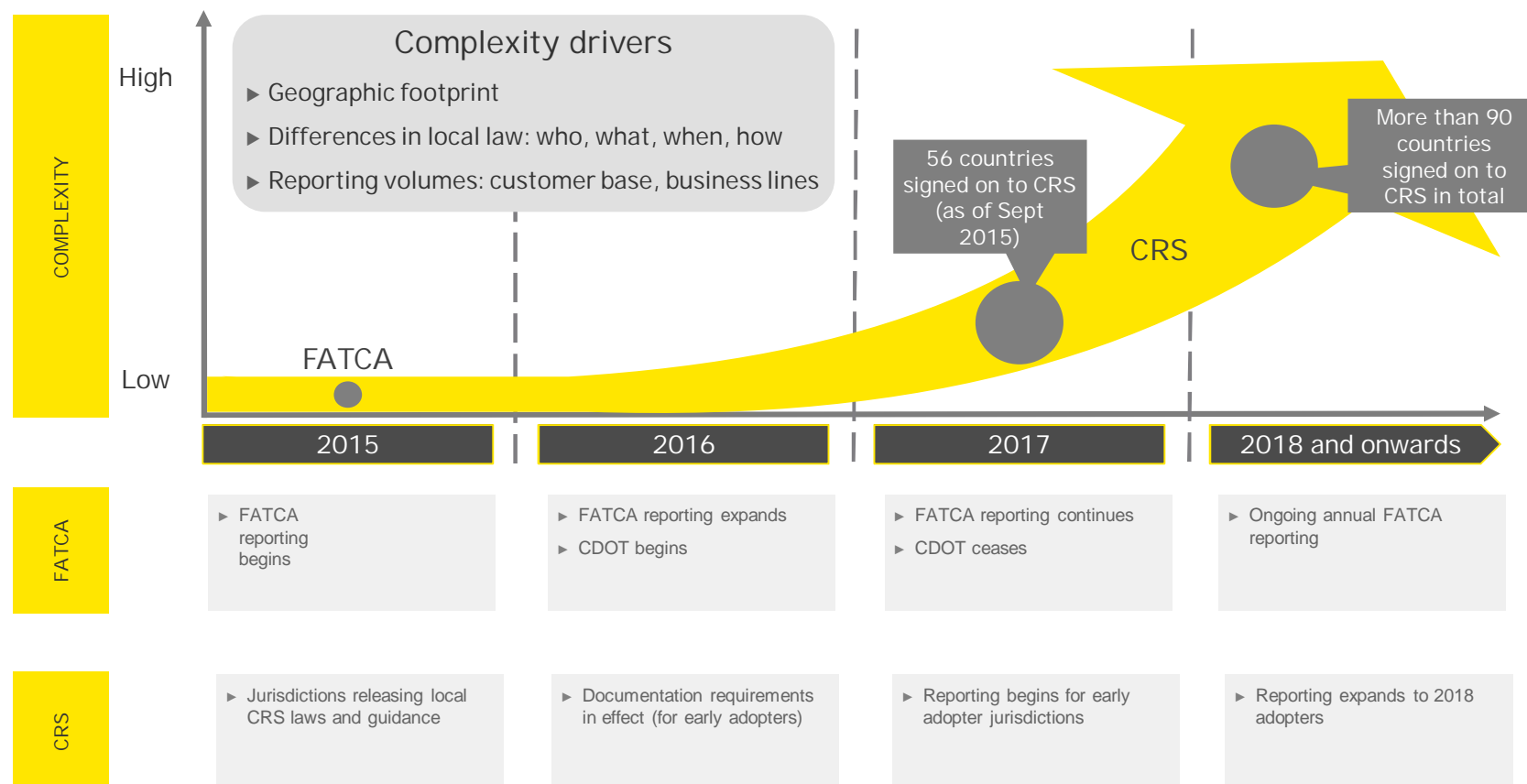


Minimal change

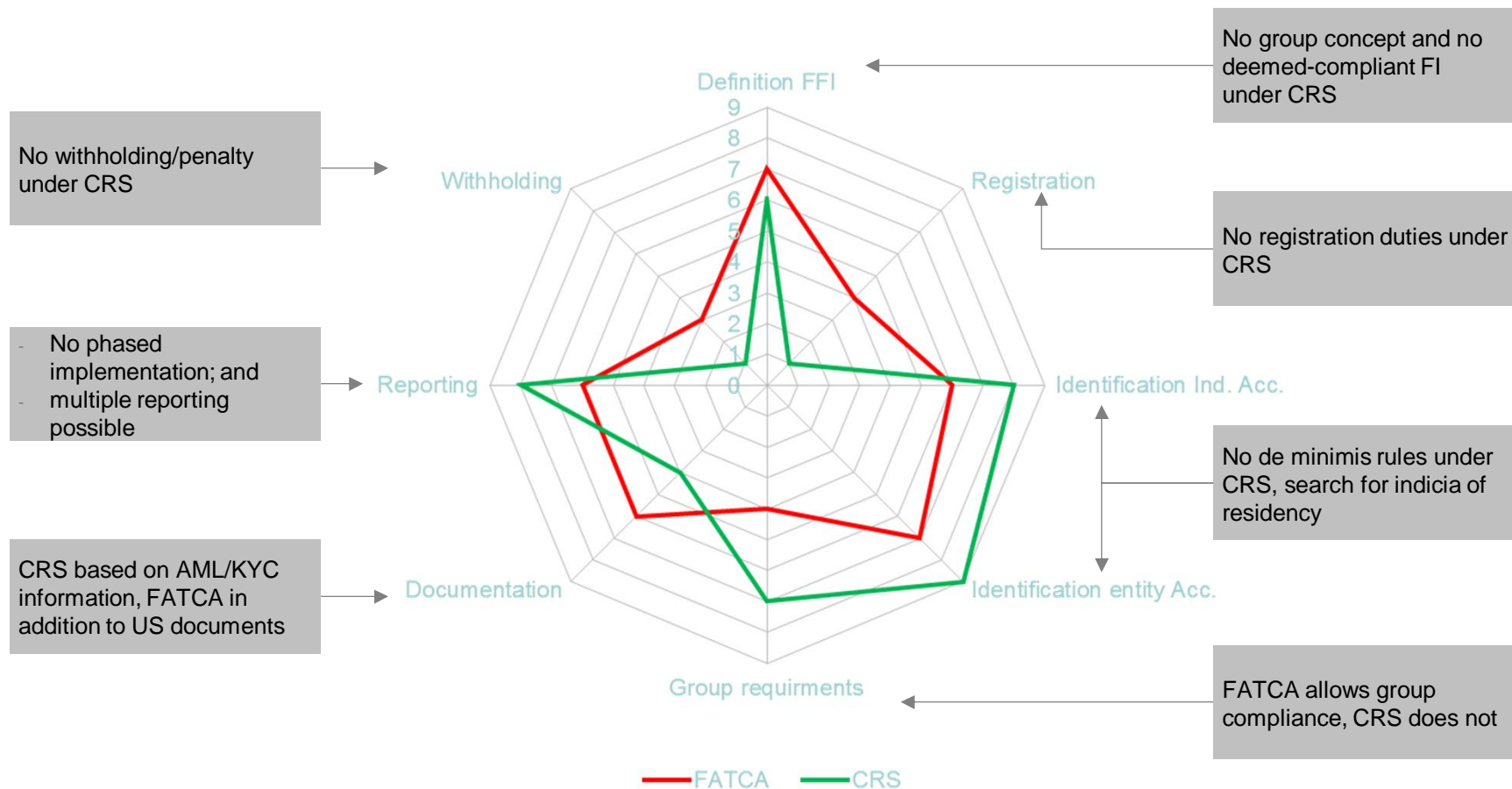
With over 60% of FATCA requirements needing some level of operational change, CRS will require a comprehensive change programme to ensure compliance

Customer tax reporting regulatory environment

- Tax policy will drive increasing complexity in Customer tax reporting

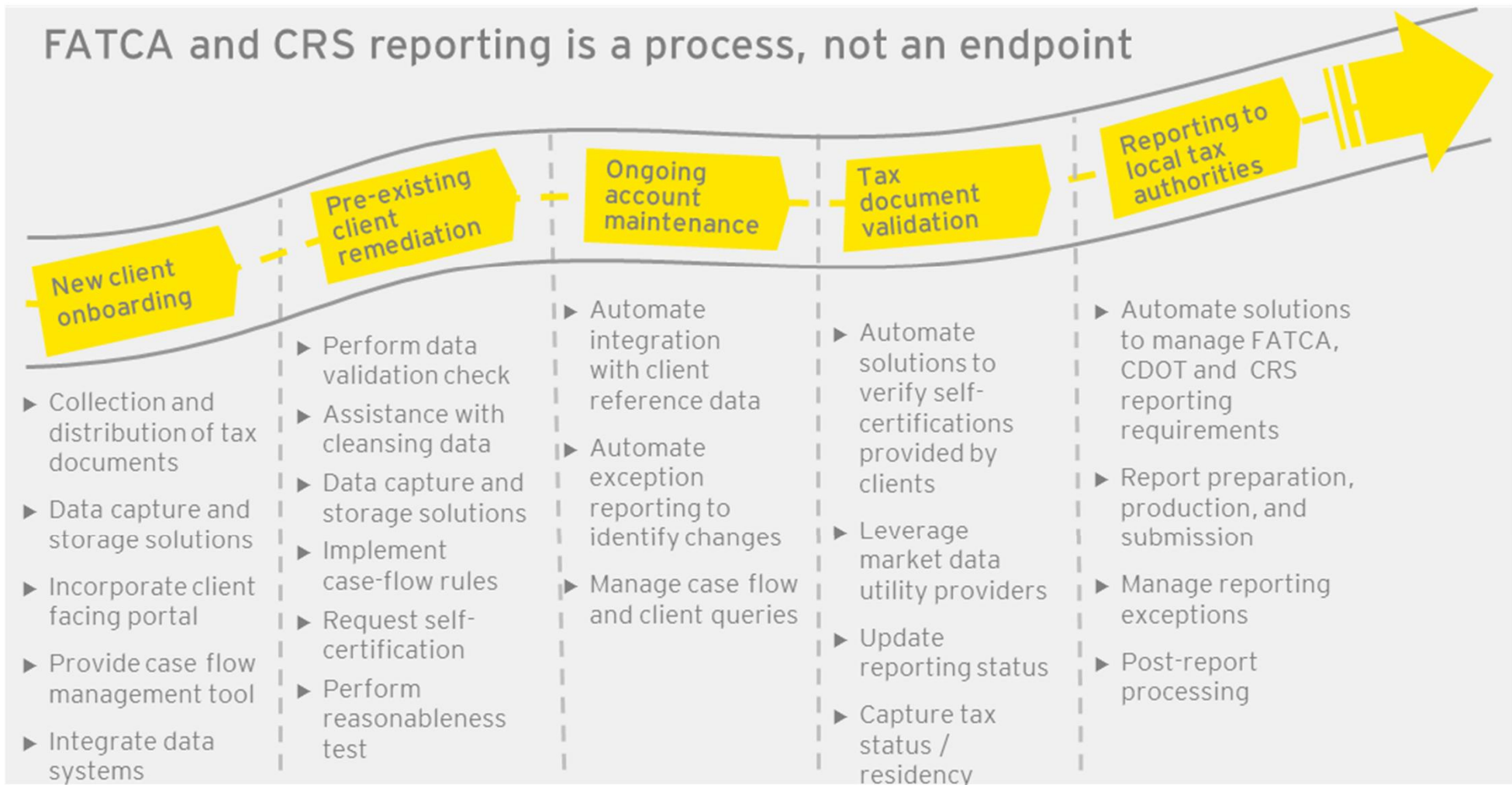


CRS perceived degree of complexity



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

CRS impact & readiness assessment



Change management (customer communication, training etc.)



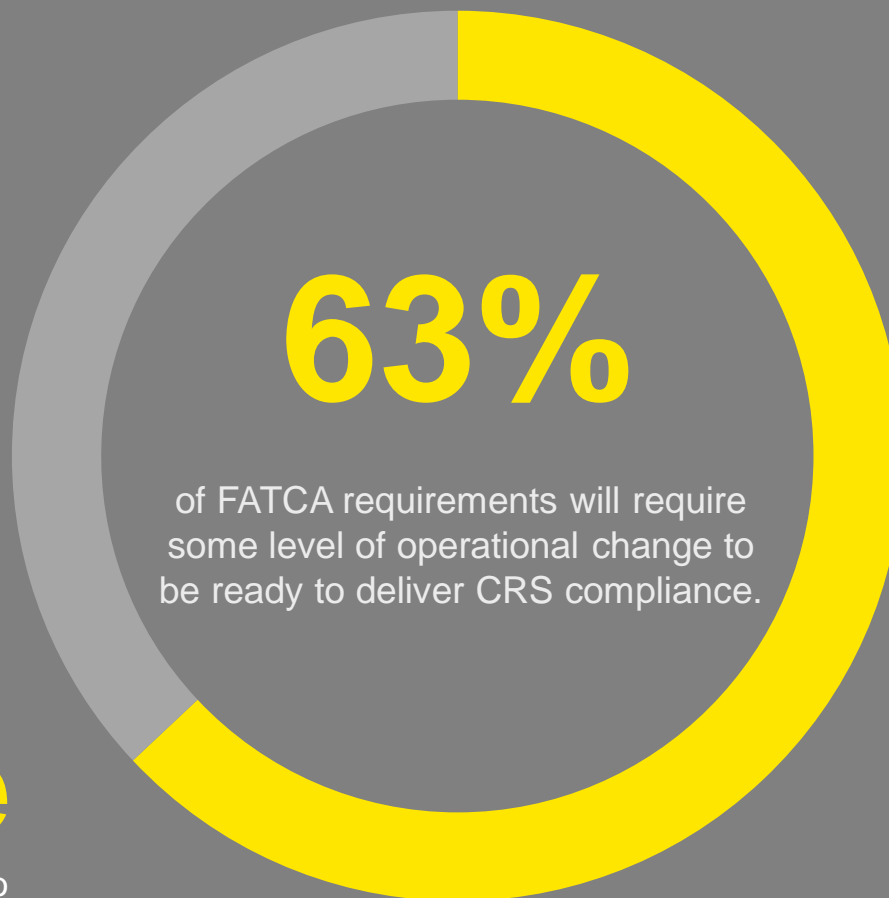
49%

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



31%

of organisations think lack of
resources is key risk to success



Data

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	Do soon	Future years
<ol style="list-style-type: none">1. Establish program governance, ownership and budget2. 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 requirements4. Consider engagement with local industry bodies and tax authorities	<ol style="list-style-type: none">1. Implement new customer onboarding processes for 1 January 2017:<ol style="list-style-type: none">a. Collection of new data fieldsb. Self-certification processc. T&Cs revision to allow for CRSd. Customer communication and information development2. Roll out training and colleague communications to support new customer onboarding and reviews3. Design the pre-existing account review protocols to be implemented	<ol style="list-style-type: none">1. Deliver reporting solution – including queries and complaints management2. Review pre-existing customer remediation – reviews and customer communication3. Establish assurance and controls program4. Return of program to BAU5. 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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