

## **SUMMARY OF REPOSES TO PUBLIC CONSULTATION ON THE DRAFT IRAS COMMON REPORTING STANDARD (“CRS”) RETURN XML SCHEMA USER GUIDE**

The IRAS held a public consultation exercise on the draft user guide “*IRAS CRS Return XML Schema User Guide*” from 12 June 2017 to 12 July 2017. The draft user guide explains how the financial account information and account holder details should be reported in XML format (which is in accordance with the OECD’s CRS XML Schema v1.0). All Reporting Singaporean Financial Institutions (“SGFIs”) are required to submit their first CRS Returns in XML format by 31 May 2018.

IRAS received 75 comments on the draft user guide and accepted 53 of them. The first edition of the finalised user guide is issued on 13 October 2017 and is available at <https://iras.gov.sg/IRASHome/CRS/>.

IRAS would like to thank all individuals and organisations that have taken the time and effort to provide their inputs.

Common feedback are as follow:

### **1. Providing a reason when the Tax Identification Number (TIN) of the Account Holder or Controlling Person is unavailable**

Feedback: To consider removing the need for Reporting SGFIs to provide a reason when the TIN of the Account Holder and Controlling Person is unavailable as the reason is not required to be provided in OECD issued XML Schema User Guide Version 2.0.

Response: Accepted with modification. The CRS Regulations require Reporting SGFIs to obtain a valid self-certification that includes information on the Account Holder’s or Controlling Person’s Jurisdiction of Tax Residence and TIN for New Accounts. Where the Account Holder or Controlling Person is not able to provide a TIN from the jurisdiction which he/she claims to be a tax resident, the reason would have been captured on the self-certification. The provision of a reason in lieu of a TIN and capturing it via the system is in line with the requirement for Reporting SGFIs to obtain and report the TIN (or otherwise provide a reason if they are unable to do so). Nonetheless, taking into consideration the feedback received – that the reporting of the reason in the absence of a TIN is not a requirement in the OECD’s XML Schema User Guide Version 2.0 and thus additional costs have to be incurred by Reporting SGFIs to transfer the reason captured into their reporting system, the requirement to provide a reason in the absence of a TIN is made optional. As part of IRAS’ compliance review, accounts that do not contain the TIN of the Account Holders or Controlling Person will be reviewed and Reporting FIs must be ready to provide a reasonable explanation for the absence of the TIN and demonstrate reasonable efforts (including providing documentation where appropriate) made to obtain the TIN information.

## 2. IRAS' Prescribed Format for the Document Reference Identifier ("DocReffID") data element of an Account Report

Feedback: The prescribed format for the DocRefID comprises (i) the Reporting Year, (ii) the Reporting SGFI's Tax Reference Number, and (iii) a 15-character Unique Reference value that is assigned by the Reporting SGFI to uniquely identify the Account Report. To consider lengthening the maximum number of characters allowed for the Unique Reference value.

Response: Accepted. The maximum number of characters allowed for the Unique Reference value will be lengthened from 15 to 30 characters.

## 3. File Preparation and Submission Process

Feedback: To provide guidance on the XML file preparation and submission process. For instance, whether there is a prescribed naming convention for the XML file and if there is a file size limit for each XML file prepared.

Response: Accepted. A new section ("Part B - XML File Preparation and Submission") has been inserted into the user guide to provide more technical details on the XML file preparation.

## 4. Prohibited Characters

Feedback: To provide guidance on whether there are characters which cannot be accepted within the XML file.

Response: Accepted. The following characters are prohibited within the data of a XML file and will cause a CRS Return to be rejected:

Unacceptable Character(s)	Description	Acceptable XML equivalent
&	Ampersand	&amp;
'	Apostrophe	&apos;
<	Less Than	&lt;
>	Greater Than	&gt;
"	Double quote	&quot;
#	Hash	none
--	Double dash	none
/*	Slash Asterisk	none

## 5. Separate Account Reports Required for (i) each Controlling Person of a Passive Non-Financial Entity (NFE) Account Holder and (ii) each jurisdiction of residence of the Account Holder or Controlling Person

Feedback: To consider removing the need for Reporting SGFIs to create separate account reports for each Controlling Person of a Passive NFE Account Holder and each jurisdiction of residence of the Account Holder or Controlling Person.

Response: Rejected. The requirements break down the information pertaining to

- (i) multiple Controlling Persons of a Passive NFE Account Holder into one Account Report for each Controlling Person; or
- (ii) an Account Holder or Controlling Person having multiple tax residences into one Account Report for each jurisdiction of tax residence

to enable the dissemination of the Account Report to the correct Receiving Jurisdiction. It also simplifies the error rectification process. For example, if an error on the Controlling Person is identified by the Receiving Jurisdiction, it will be clear to the Reporting SGFI that the error relates to the details of the only Controlling Person that is included in the Account Report.

## **6. Controlling Person with more than one Relationship with the Passive NFE Account Holder**

Feedback: To provide guidance on how Controlling Person with more than one relationship with the Passive NFE Account Holder should be reported in the XML file.

Response: Accepted. Where a Controlling Person has more than one relationship with the Account Holder (e.g. a Controlling Person is a settlor and a beneficiary of a trust), the Controlling Person data element within the same account report can be repeated for each specific relationship.

## **7. Field Requirement for 'MessageTypeIndic' Data Element**

Feedback: To provide clarity on whether the "MessageTypeIndic" data element within the Message Header is a mandatory field.

Response: Accepted. The 'MessageTypeIndic" data element is a mandatory field and has to be completed.

## **8. 'AddressFree' Data Element**

Feedback: To provide clarity on whether 'City' data element is required for schema validation when a Reporting SGFI chooses to provide address data in 'AddressFree' format.

Response: Accepted. If the Reporting SGFI is providing address data in 'AddressFree' format, the 'City' data element need not be provided.