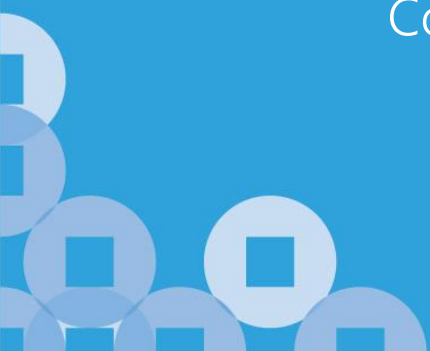




INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

# IRAS e-Tax Guide

## Common Reporting Standard (CRS) Compliance Guidelines



Published by  
Inland Revenue Authority of Singapore

Published on 23 July 2019

Disclaimers: IRAS shall not be responsible or held accountable in any way for any damage, loss or expense whatsoever, arising directly or indirectly from any inaccuracy or incompleteness in the Contents of this e-Tax Guide, or errors or omissions in the transmission of the Contents. IRAS shall not be responsible or held accountable in any way for any decision made or action taken by you or any third party in reliance upon the Contents in this e-Tax Guide. This information aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.

© Inland Revenue Authority of Singapore

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

**Table of Contents**

1	Aim.....	3
2	At a Glance .....	4
3	Glossary.....	5
4	Background.....	6
5	IRAS' Guiding Principles.....	7
6	CRS Compliance Approach .....	9
7	CRS Internal Controls .....	11
8	IRAS' CRS Compliance Activities .....	16
9	Conclusion .....	19
10	Contact Information.....	20
11	Annex A – Self-review Toolkit .....	21

### **1 Aim**

- 1.1 To support Financial Institutions in implementing the Common Reporting Standard (CRS) in Singapore, IRAS has conducted various educational outreach and service initiatives for the industry. While IRAS will continue to raise awareness and address financial institutions' CRS enquiries, IRAS will soon embark on programmes to ensure compliance by Reporting Singaporean Financial Institutions (SGFIs).
- 1.2 This e-Tax Guide describes IRAS' guiding principles and compliance activities when reviewing whether Reporting SGFIs are fulfilling their CRS obligations effectively. It also explains IRAS' expectations on the approach that Reporting SGFIs should take when demonstrating their compliance with CRS in Singapore. These expectations include putting in place sufficient and robust internal controls that are commensurate with the Reporting SGFI's level of CRS compliance risks based on its business circumstances.
- 1.3 The purpose of this e-Tax Guide is to establish a common language between IRAS and the industry to facilitate future CRS compliance reviews. In addition, it contains a self-review toolkit which Reporting SGFIs may use to assess the sufficiency and robustness of their internal controls for CRS compliance.
- 1.4 The target audience of this e-Tax Guide are:
- Reporting SGFIs and persons within the Reporting SGFIs who are responsible for CRS implementation; and
  - Service providers that are engaged by Reporting SGFIs to carry out CRS obligations on their behalf.
- 1.5 This e-Tax Guide complements Singapore's CRS requirements under the law, as well as the CRS-related guidance and FAQs issued by IRAS and OECD. It does not override any of these requirements, and should be read together with the [IRAS e-Tax Guide on Common Reporting Standard](#).

## 2 At a Glance

- 2.1 This e-Tax Guide first provides background information on CRS compliance in Singapore and describes IRAS' guiding principles when reviewing whether Reporting SGFIs are fulfilling their CRS obligations effectively. It also clarifies IRAS' expectations on the approach that Reporting SGFIs should take when demonstrating their compliance with CRS in Singapore.
- 2.2 The e-Tax Guide then explains how Reporting SGFIs are expected to put in place a set of internal controls to manage their CRS regulatory risks when complying with the CRS requirements in Singapore. To this end, IRAS has established 23 hallmarks or desired outcomes that Reporting SGFIs should achieve to demonstrate the sufficiency and robustness of the Reporting SGFI's operating environment, how it fulfils its CRS due diligence obligations and the manner in which the Reporting SGFI fulfils its CRS reporting obligations.
- 2.3 To assist Reporting SGFIs in meeting the hallmarks or desired outcomes, IRAS has designed a self-review toolkit containing recommended internal controls that a Reporting SGFI may implement. This toolkit can be found in **Annex A** of the e-Tax Guide.
- 2.4 The e-Tax Guide concludes with a section on the CRS compliance activities that IRAS will commence in the second half of 2019. The more targeted compliance activities will be directed at Reporting SGFIs that pose a higher risk of non-compliance with the CRS.

**3 Glossary**

- 3.1 The descriptions of the terms and acronyms used throughout this e-Tax Guide can be found in Section 3 of the [IRAS e-Tax Guide on Common Reporting Standard](#).

## **4 Background**

4.1 Under the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (CRS Regulations), an SGFI that is treated as a Reporting SGFI is required to:

- Register for CRS with IRAS;
- Perform due diligence on all Financial Accounts that it maintains; and
- Report all Reportable Accounts that it maintains or file a Nil Return (if it does not maintain any Reportable Accounts) to IRAS.

4.2 To comply with CRS in Singapore, a Reporting SGFI has to fulfil the above obligations by:

- Applying the procedures and adhering to the deadlines in the CRS Regulations;
- Applying the correct treatment in accordance with IRAS-issued CRS FAQs and guidance on the IRAS website, as well as guidance from the OECD (e.g. the commentary on the CRS, CRS Implementation Handbook (Second Edition) and CRS-related FAQs), unless they are inconsistent with Singapore's implementation of the Wider Approach under the CRS; and
- Ensuring complete and accurate reporting of CRS information to IRAS.

4.3 IRAS expects Reporting SGFIs to put in place a robust compliance approach as well as internal policies, procedures and systems that will ensure their effective compliance with the CRS in Singapore.

4.4 IRAS will conduct reviews on Reporting SGFIs for their compliance with CRS. IRAS' reviews will be guided by the following key elements, each of which is elaborated further in the Guide:

- IRAS' guiding principles for compliance with CRS;
- IRAS' expectations of Reporting SGFIs' CRS compliance approach;
- CRS internal controls, specifically a set of 23 hallmarks or desired outcomes that are aligned with Reporting SGFIs' CRS obligations and would demonstrate their effective compliance with CRS if the hallmarks or desired outcomes are achieved;
- A self-review toolkit that Reporting SGFIs may use to assess the sufficiency and robustness of their CRS internal controls; and
- Special issues e.g. outsourcing and use of internal or external reviewers.

## **5 IRAS' Guiding Principles**

5.1 IRAS adopts the following guiding principles when implementing a CRS compliance review process:

5.1.1 IRAS takes a risk-based approach to ensure that Reporting SGFIs comply with their CRS obligations in Singapore.

- a. IRAS manages the risks of CRS non-compliance by focusing on Reporting SGFIs that pose a higher risk of non-compliance with the CRS, without compromising on the overall effectiveness of Singapore's CRS implementation. The nature and intensity of IRAS' CRS compliance reviews will be commensurate with IRAS' assessment of the Reporting SGFI's risks of non-compliance with the CRS.
- b. In assessing the risks of non-compliance by Reporting SGFIs, IRAS will consider, among others, a combination of factors such as the business profile and activities of the Reporting SGFI, its track record in fulfilling its FATCA and CRS obligations, its track record in other relevant areas of tax or regulatory compliance, and feedback received from Singapore's CRS partners. These risk factors are elaborated in Section 8.2 of this e-Tax Guide.

5.1.2 IRAS seeks to minimise Reporting SGFIs' CRS compliance costs while ensuring their compliance with domestic CRS requirements.

- a. IRAS aims to communicate the administrative guidelines on CRS compliance in a timely, simple and clear manner, so that Reporting SGFIs are aware of IRAS' expectations upfront when implementing or refining their internal compliance approach.
- b. There is no "one-size-fits-all" for CRS compliance. IRAS does not expect all Reporting SGFIs to commit the same level of resources and implement measures to the same extent or in the same manner when complying with CRS. Instead, the level of resources and the implementing measures that Reporting SGFIs adopt for CRS compliance should be proportionate to their business circumstances and CRS risk levels.
- c. IRAS seeks to ensure that CRS compliance is integrated into Reporting SGFIs' natural systems as far as possible. For example, to avoid duplication, we expect CRS compliance to be part of a Reporting SGFI's internal risk management process. When conducting CRS compliance reviews, IRAS will also seek to work with other regulators and adopt similar standards, to the extent possible, to avoid imposing additional compliance burden on Reporting SGFIs.
- d. As the CRS is a relatively new international standard, IRAS will complement the CRS compliance reviews with various ongoing educational outreach and service initiatives.



5.1.3 IRAS will take the right actions at the right time.

- a. IRAS will work with and assist Reporting SGFIs that are voluntarily compliant to ensure their compliance with CRS in Singapore.
- b. On the other hand, IRAS will not hesitate to take deterrent measures such as issuing warnings and imposing penalties on errant Reporting SGFIs that choose to be non-compliant.

## **6 CRS Compliance Approach**

6.1 IRAS expects Reporting SGFIs to adopt the following compliance approach when managing their CRS regulatory risks and demonstrating their compliance with CRS requirements in Singapore:

### **6.1.1 Put in place sufficient and robust internal controls.**

- a. The level, nature and extent of a Reporting SGFI's CRS internal controls should be proportionate to its business circumstances e.g. type, scale and complexity of business activities, customer profile, types of products sold, etc., and its CRS risk level.
- b. The Reporting SGFI's CRS internal controls should be at three levels, namely entity, process and reporting levels in accordance with Section 7 of this e-Tax Guide.

### **6.1.2 Maintain sufficient documentation in accordance with the requirements of the CRS in Singapore.**

- a. The Reporting SGFI should maintain all evidence, records or information obtained, and records of the steps taken in accordance with the CRS requirements.
- b. Such documentation should be kept for a minimum 5-year period in accordance with Regulation 14(6) of the CRS Regulations, and be made available to IRAS upon request.

### **6.1.3 Maintain a programme of periodic CRS compliance reviews by independent reviewers.**

- a. The periodic CRS compliance reviews should be part of the Reporting SGFI's existing internal risk management framework, and performed by independent reviewers who are not involved in the policy formulation and day-to-day CRS operations of the Reporting SGFI e.g. internal compliance teams, internal auditors or external auditors.
- b. Such reviews should cover both internal controls and sample testing of Financial Accounts.
- c. IRAS may also conduct compliance checks from time to time.

### **6.1.4 Follow up on any recommendations by IRAS and/or independent reviewers to correct any systemic failures with respect to its systems, policies or procedures.**

- a. Reporting SGFIs should take timely remedial actions to address any gaps identified through the independent review process. These remedial

actions may include setting clear plans to mitigate future CRS risks and enhancing the compliance culture within the Reporting SGFI.

- b. Reporting SGFIs should also monitor the progress of their remedial actions and review their effectiveness against the expected outcomes.
- c. Where IRAS has made recommendations, IRAS will monitor the Reporting SGFI's remedial actions and its progress in achieving the expected outcomes for effective CRS compliance. Reporting SGFIs are also expected to work closely with IRAS in this process.

### 6.2 Considerations in relation to Outsourcing of CRS Activities

6.2.1 IRAS understands that some Reporting SGFIs would outsource their CRS functions (e.g. registration, due diligence and/or reporting) to third party service providers. When a Reporting SGFI outsources some or all of its CRS functions, it remains responsible for any CRS obligation that its service provider carries out on its behalf.

6.2.2 When an outsourcing arrangement is in place, IRAS expects the Reporting SGFI to:

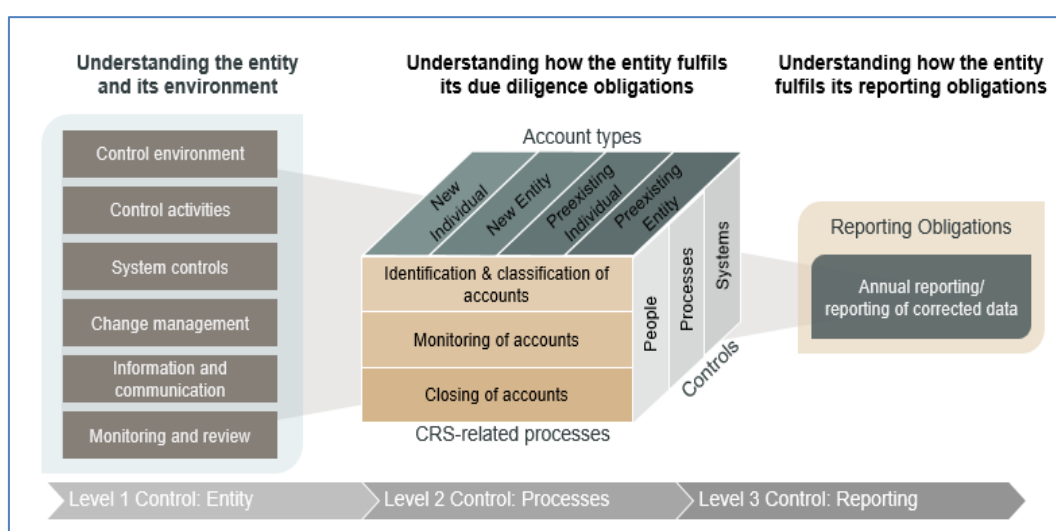
- Have oversight and governance of the work performed by the service provider;
- Put in place internal controls to manage the outsourcing risks; and
- Ensure that it has access to all records, documentary evidence and information that is in the service provider's possession, under the service provider's control, and obtained by the service provider when carrying the CRS functions on the Reporting SGFI's behalf.

### 6.3 CRS Compliance Approach for Trusts

6.3.1 IRAS acknowledges that practically, the CRS compliance function of trusts that are Reporting SGFIs, will be undertaken by the trustees of the trusts. It is therefore the trustee of a trust that would be expected to adopt the CRS compliance approach outlined above.

## 7 CRS Internal Controls

- 7.1 Reporting SGFIs should put in place a set of internal controls to manage their CRS regulatory risks when complying with the CRS requirements in Singapore. As far as possible, these CRS controls should be integrated into the Reporting SGFI’s overall risk management framework and form part of its risk management policies and practices.
- 7.2 IRAS expects Reporting SGFIs to establish CRS internal controls at three levels, namely the entity, process and reporting levels. Considered together and as depicted in the following framework, the controls provide a holistic understanding and assessment of the sufficiency and robustness of the Reporting SGFI’s operating environment, how it fulfils its CRS due diligence obligations and the manner in which the Reporting SGFI fulfils its CRS reporting obligations.



- 7.3 **Entity Level** – To understand and assess a Reporting SGFI’s operating environment for CRS compliance, it is important to systematically review its control environment, control activities, system controls, change management policies, information and communication policies, as well as monitoring and review mechanisms. These elements of a Reporting SGFI’s operating environment form the foundation that will enable it to effectively fulfil its CRS obligations.

- 7.3.1 IRAS will be assured of the sufficiency and robustness of a Reporting SGFI’s internal controls at the Entity level if the following 6 hallmarks or desired outcomes are demonstrated by the Reporting SGFI in a holistic manner:

Elements	Hallmarks or Desired Outcomes
<b>Control Environment</b>	Reporting SGFI has a conducive CRS compliance environment to fulfil its business obligations.

Elements	Hallmarks or Desired Outcomes
<b>Control Activities</b>	Reporting SGFI profiles its CRS risks and manages them through preventive, detective and corrective controls.
<b>System Controls</b>	Data integrity is maintained when the Reporting SGFI relies on robust IT systems for CRS compliance. This also applies to Reporting SGFIs which have no IT systems and rely on end user developed applications (e.g. Excel) or manual processes for CRS compliance.
<b>Change Management</b>	Reporting SGFI's CRS compliance environment remains effective despite exposure to business changes internally or externally.
<b>Information and Communication</b>	Process owners and users in the Reporting SGFI are equipped with necessary knowledge and tools to obtain CRS-related information and to keep records for the purposes of executing their designated function in compliance with the CRS.
<b>Monitoring and Review</b>	Controls which contribute to the compliance of CRS are present and functioning as intended.

- 7.4 **Process Level** – To understand and assess how a Reporting SGFI fulfils its CRS due diligence obligations, it is important to systematically review its processes around the typical life cycle or stages undertaken by the Reporting SGFI in maintaining its Financial Accounts. These stages involve the identification and classification, monitoring and closing of accounts.
- 7.4.1 Besides aligning the CRS internal controls with the Reporting SGFI's business processes, the controls should cover all types of Financial Accounts for CRS purposes, i.e. Preexisting and New Accounts, as well as Individual and Entity Accounts.
- 7.4.2 Reporting SGFIs should design and implement internal controls around their people, processes and systems. The approaches taken may however vary across different Reporting SGFIs depending on their business circumstances. For example, a manual CRS process may require controls of a different nature and degree as compared to a fully automated CRS process.
- 7.4.3 IRAS will be assured of the sufficiency and robustness of a Reporting SGFI's internal controls at the Process level if the following 14 hallmarks or desired outcomes are demonstrated by the Reporting SGFI in a holistic manner:

Elements	Hallmarks or Desired Outcomes
<b>Account Identification and Classification – New Accounts</b>	
<b>New Account Identification and Treatment</b>	New Accounts are defined in the context of the business and are documented.
<b>Account Holder Information Collection and Form Completion</b>	Complete and accurate information for CRS compliance is collected in a timely manner during account opening in accordance with the CRS.
<b>Review of Account Opening Documents</b>	Review of Account Holder and Controlling Person is based on appropriate documentation and is done in accordance with the CRS requirements.
<b>Opening of Accounts</b>	Only accounts which comply with CRS requirements are opened.
<b>Account Identification and Classification – Preexisting Accounts</b>	
<b>Determination of Preexisting Accounts</b>	Preexisting Accounts are defined in the context of the business and are documented.
<b>Optional Treatments in the Due Diligence Procedures for Preexisting Accounts</b>	Optional rules on due diligence procedures are adopted in accordance with the CRS and documented.
<b>Review Procedures</b>	Review procedures are applied appropriately to the Preexisting Account types and conducted according to the CRS.
<b>Identification and Treatment of Undocumented Accounts</b>	Undocumented Accounts are identified for appropriate CRS treatment.
<b>Account Monitoring</b>	
<b>Monitoring of Account Details</b>	Change in circumstance (CIC) and other changes (e.g. account balances exceeding threshold) to Account Holder information are defined and identified.

Elements	Hallmarks or Desired Outcomes
<b>Documentation and Follow-up of CIC and Other Changes</b>	CIC and other changes to Account Holder information identified are documented, tracked and followed up to ensure timely resolution.
<b>Review of Undocumented Accounts, Dormant Accounts and Excluded Accounts</b>	Undocumented Accounts, Dormant Accounts and Excluded Accounts are monitored and reviewed annually/periodically.
<b>Account Closing</b>	
<b>Identification of Closed Accounts</b>	Account closure is defined and its occurrence is identified for relevant treatment under the CRS.
<b>Finalising Closed Accounts</b>	Specific accounts are reviewed upon account closure.
<b>Recording Closure of Accounts</b>	The occurrence of account closure is recorded accurately and in a timely manner.

- 7.5 **Reporting Level** – To understand and assess the manner in which a Reporting SGFI fulfils its CRS reporting obligations, it is important to systematically review the manner in which the Reporting SGFI extracts CRS data and prepare its CRS report/return, submits its annual CRS report/return to IRAS, and manages reporting errors and amendments in its CRS report/return. These elements will ensure the timeliness, accuracy and completeness of a Reporting SGFI’s CRS reporting to IRAS.
- 7.5.1 IRAS will be assured of the sufficiency and robustness of a Reporting SGFI’s internal controls at the Reporting level if the following 3 hallmarks or desired outcomes are demonstrated by the Reporting SGFI in a holistic manner:

Elements	Hallmarks or Desired Outcomes
<b>CRS Data Extraction and Report/Return Preparation</b>	The Reporting SGFI extracts complete and accurate CRS data, and prepares the CRS report/return in accordance with the updated CRS XML Schema (or the fillable PDF form) and the <a href="#">IRAS CRS XML User Guide</a> .
<b>Submission of CRS Report/Return</b>	The CRS report/return is reviewed and submitted to IRAS by the statutory deadline.

Elements	Hallmarks or Desired Outcomes
<b>Managing Errors and Amendments from CRS Reports&gt;Returns</b>	Submission errors are addressed and resubmissions are done in a timely manner.

- 7.6 Reporting SGFIs may adopt an outcome-based approach when implementing their CRS internal controls. A Reporting SGFI would be able to assure IRAS of the sufficiency and robustness of its CRS controls so long as the above hallmarks or desired outcomes for the 23 elements are met.
- 7.7 To assist Reporting SGFIs in meeting the above hallmarks or desired outcomes, IRAS has designed a self-review toolkit containing recommended internal controls that a Reporting SGFI may implement. Depending on the Reporting SGFI's business circumstances, it may choose to adopt different internal controls to achieve the same hallmarks or desired outcomes and demonstrate their compliance with CRS requirements in Singapore. This self-review toolkit is available in **Annex A** of this e-Tax Guide.



## 8 IRAS' CRS Compliance Activities

8.1 IRAS will commence reviews on Reporting SGFIs' compliance with the Singapore CRS requirements in the second half of 2019. Under the risk-based approach, IRAS will:

- Identify Reporting SGFIs that pose a higher risk of non-compliance with the CRS;
- Engage identified Reporting SGFIs and conduct compliance reviews to ensure that they are effectively fulfilling their CRS obligations in Singapore; and
- Issue recommendations for Reporting SGFIs to address gaps in their CRS compliance and undertake timely corrective actions, where necessary.

### 8.2 Identification of Reporting SGFIs for CRS Compliance Reviews

8.2.1 In assessing the risk of non-compliance by Reporting SGFIs, IRAS will consider, among others, a combination of factors such as the business profile and activities of the Reporting SGFI, its track record in fulfilling its FATCA and CRS obligations, its track record in other relevant areas of tax and regulatory compliance, and feedback received from Singapore's CRS partners. The following table shows a non-exhaustive list of risk factors:

Category	Risk Factors (Non-exhaustive)
<b>Business profile and activities</b>	<ul style="list-style-type: none"> <li>• Industry and sector within the industry</li> <li>• Type and complexity of business</li> <li>• Size of business</li> <li>• Client profile</li> <li>• Geographical presence</li> <li>• Whether the Reporting SGFI is part of a larger domestic/multinational group</li> <li>• Resources allocated for CRS compliance</li> </ul>
<b>Track record in fulfilling FATCA and CRS obligations</b>	<ul style="list-style-type: none"> <li>• Timeliness of reporting</li> <li>• Completeness and quality of reporting</li> </ul>
<b>Track record in other areas of regulatory compliance</b>	<ul style="list-style-type: none"> <li>• Compliance with AML/KYC Procedures</li> <li>• Compliance with tax reporting</li> </ul>
<b>Feedback received from Singapore's CRS partners</b>	<ul style="list-style-type: none"> <li>• Data quality and completeness</li> <li>• Timeliness of data verification and correction</li> </ul>

8.2.2 For purposes of risk assessment, IRAS may review past trends of certain CRS data that Reporting SGFIs had reported. These trends may include for example, significant changes in the volume of CRS records reported over time.

### 8.3 Engaging Identified Reporting SGFIs and Performing Compliance Reviews

8.3.1 At the start of a CRS compliance review, IRAS will initiate communications with identified Reporting SGFIs through their designated Points of Contact.

8.3.2 Identified Reporting SGFIs may be subject to desk-based and/or on-site reviews by IRAS. Desk-based reviews would typically involve the Reporting SGFI responding to IRAS' questionnaires and clarifications within a reasonable timeframe. On-site reviews would typically involve IRAS visiting the premises of the identified Reporting SGFI and include conducting face-to-face interviews with relevant personnel to review CRS controls, processes and documentation. When initiating any on-site reviews, IRAS will seek to work with the identified Reporting SGFI on a reasonable and mutually agreeable timeline for the preparation and planning of such reviews.

8.3.3 As part of the compliance review process, IRAS will seek to better understand the identified Reporting SGFI's business model and operations, its CRS regulatory risks and issues faced during implementation, as well as its internal controls and measures taken to manage those risks and issues. The intensity of IRAS' compliance reviews on the identified Reporting SGFIs will depend on the CRS compliance risks assessed through the review process.

### 8.4 Issuing Recommendations to Identified Reporting SGFIs and Timely Corrective Actions

8.4.1 Depending on IRAS' assessment of how effectively the identified Reporting SGFI has fulfilled its CRS obligations in Singapore, IRAS may issue recommendations for the Reporting SGFI to address gaps in its CRS compliance and undertake timely corrective actions. IRAS will also work with the Reporting SGFI to set clear plans to mitigate risks or remedy deficiencies within a specified timeline.

8.4.2 Post-compliance review, IRAS may follow up with the Reporting SGFI on issues identified during the compliance reviews and request for further explanations and/or documentation. In situations where IRAS remains dissatisfied with the Reporting SGFI's measures and corrective actions, IRAS may request for ad-hoc attestations by independent reviewers such as internal or external auditors.

8.4.3 IRAS' subsequent compliance reviews (e.g. ad-hoc, yearly or once every few years) on the Reporting SGFI will depend on IRAS' assessment of the level of CRS compliance risks posed by the Reporting SGFI.

8.4.4 IRAS will provide the information necessary to support and assist Reporting SGFIs in being voluntarily compliant with CRS in Singapore. On the other hand, IRAS will not hesitate to take deterrent measures such as issuing warnings and imposing penalties on errant Reporting SGFIs that choose to be non-compliant.

### 8.5 Internal or External Reviews

8.5.1 Some Reporting SGFIs may rely on internal or external reviewers to perform CRS compliance reviews and attest to their compliance with some or all of the Singapore CRS requirements. These reviews may be undertaken as part of the Reporting SGFI's overall risk management framework. They are typically performed by external auditors, internal auditors and/or internal reviewers who are not involved in the Reporting SGFI's CRS policy formulation or day-to-day CRS operations.

8.5.2 On a case-by-case basis, IRAS may consider relying on the results and documentation of such reviews performed to obtain assurance on the Reporting SGFI's level of compliance with Singapore CRS requirements. The extent of IRAS' reliance of such reviews will depend on the reviewers' level of independence as well as their competencies (e.g. auditing skills and technical CRS knowledge).

## **9 Conclusion**

- 9.1 IRAS acknowledges that the CRS is a fairly new international standard and that Reporting SGFIs would require time to put in place sufficient and robust measures to effectively comply with the CRS requirements in Singapore. In conducting CRS compliance reviews, IRAS will provide the information necessary to support and assist Reporting SGFIs in being voluntarily compliant with the CRS requirements. On the other hand, IRAS will not hesitate to take the appropriate deterrent measures against Reporting SGFIs that are errant and choose to be non-compliant.
- 9.2 Reporting SGFIs are strongly encouraged to use the guidance and self-review toolkit in this e-Tax Guide to assess their level of CRS compliance and address any gaps in their implementation of CRS in Singapore. IRAS would also urge Reporting SGFIs to voluntarily surface compliance issues to IRAS early, and partner IRAS in resolving these issues.

**10 Contact Information**

- 10.1 For enquiries and feedback on this e-Tax Guide, please contact us at <https://www.iras.gov.sg/contact-us/international-tax>

## 11 Annex A – Self-review Toolkit

Reporting SGFIs may use this self-review toolkit to assess the sufficiency and robustness of their CRS internal controls. Depending on the Reporting SGFI's business circumstances, it may choose to adopt different internal controls to achieve the same hallmarks or desired outcomes and demonstrate its compliance with CRS requirements in Singapore. In doing so, the Reporting SGFI should document its basis. Where a particular internal control is not applicable (NA) in the Reporting SGFI's business circumstances, it should likewise document the basis and any equivalent internal control that it has put in place.

<b>SECTION 1 - CRS CONTROLS AT ENTITY LEVEL</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Control Environment</b>				
<i>Desired Outcome #1: Reporting Singapore Financial Institution (SGFI) has a conducive CRS compliance environment to fulfil its business obligations.</i>				
1	There are defined roles and responsibilities in the Reporting SGFI's organisation structure and/or functions to manage and ensure CRS compliance.			
2	There is management oversight on matters that potentially have impact on the Reporting SGFI's CRS compliance.			
3	The Reporting SGFI adopts a risk management framework which incorporates CRS compliance risks arising from major changes in business activities or operating processes.			
4	There are policies and procedures (e.g. periodic training) to ensure that key staff or team involved in CRS compliance activities (including implementation, due diligence and report preparation) has the relevant skills and experience.			
<b>Control Activities</b>				
<i>Desired Outcome #2: Reporting SGFI profiles its CRS risks and manages them through preventive, detective and corrective controls.</i>				
5	There is a process to identify, evaluate and manage CRS risks to ensure that such risks are addressed in a timely manner.			
6	There are measures to prevent and detect the adoption of practices that are intended to avoid or circumvent the reporting and due diligence procedures under the CRS (e.g. promotion of CRS avoidance arrangements/schemes).			

<b>SECTION 1 - CRS CONTROLS AT ENTITY LEVEL (cont'd)</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
7	When the Reporting SGFI appoints third party service providers to carry out its CRS-related obligations on its behalf, there are processes to ensure that the Reporting SGFI has access to all records, documentary evidence and information that is: (i) in the service provider's possession; (ii) under the service provider's control; and (iii) obtained by the service provider when carrying these CRS-related obligations on the Reporting SGFI's behalf.			
8	When the Reporting SGFI appoints third party service providers to carry out CRS-related obligations on its behalf, there are processes to ensure that the Reporting SGFI has oversight and governance of the work performed by the outsourced service providers, and manages the outsourcing risks.			
9	There are processes to identify and document the CRS treatment of all Financial Accounts maintained by the Reporting SGFI, including specific account types (e.g. Undocumented Accounts, Dormant Accounts and Excluded Accounts) which may pose a higher level of risk to CRS compliance.			
10	There are processes to ensure that account balance aggregation and currency translation rules, where required to be applied, are in accordance with the CRS requirements and documented.			
<b>System Controls</b>				
<i>Desired Outcome #3: Data integrity is maintained when the Reporting SGFI relies on robust IT systems for CRS compliance. This also applies to Reporting SGFIs which have no IT systems and rely on end user developed applications (e.g. Excel) or manual processes for CRS compliance.</i>				
11	There are processes to maintain the accuracy and completeness of CRS-related data captured by the Reporting SGFI as well as the CRS-related data processed by IT systems (or via end user developed applications e.g. Excel or manually) during various stages of the Reporting SGFI's CRS processes (e.g. Account Holder onboarding, due diligence, report generation).			
12	There are adequate documentation and audit trail maintained for accountability and to facilitate future compliance reviews of data integrity.			

<b>SECTION 1 - CRS CONTROLS AT ENTITY LEVEL (cont'd)</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Change Management</b>				
<i>Desired Outcome #4: Reporting SGFI's CRS compliance environment remains effective despite exposure to business changes internally or externally.</i>				
13	There are procedures to manage internal and external changes that impact effective CRS compliance by the Reporting SGFI. These changes may include: <ul style="list-style-type: none"> <li>- Changes in business activities</li> <li>- Changes in roles and responsibilities of staff or business units</li> <li>- Acquisition of entities or accounts</li> <li>- Changes in Reporting SGFI's CRS registration details with IRAS (where the Reporting SGFI would need to notify IRAS pursuant to Regulation 13(5) of the Singapore CRS Regulations)</li> </ul>			
14	There are procedures to ensure awareness of CRS legislative/regulatory changes and changes/updates in relevant guidance published by the IRAS and OECD, as well as evaluation of their impact to the Reporting SGFI's business.			
<b>Information and Communication</b>				
<i>Desired Outcome #5: Process owners and users in the Reporting SGFI are equipped with necessary knowledge and tools to obtain CRS-related information and to keep records for the purposes of executing their designated function in compliance with the CRS.</i>				
15	There are processes to ensure timely dissemination of relevant and updated CRS information to relevant stakeholders in the Reporting SGFI.			
16	There are documentation standards and procedures to ensure all evidence, record or information obtained, and records of the steps taken in accordance with the CRS requirements, are kept in compliance with the CRS for the period prescribed in Regulation 14(6) of the Singapore CRS Regulations.			



<b>SECTION 1 - CRS CONTROLS AT ENTITY LEVEL (cont'd)</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Monitoring and Review</b>				
<i>Desired Outcome #6: Controls which contribute to the compliance of CRS are monitored and reviewed to ensure that they are present and functioning as intended.</i>				
17	There are processes to review CRS-related policies, procedures and controls to ensure that they are operationalised, relevant and up to date.			
18	There are periodic reviews and testing of the reporting process to ensure accurate CRS reporting.			
19	There is an escalation channel for complex and/or unresolved CRS-related matters, and a process to document, review and resolve escalated matters.			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL</b>						
<b>SECTION 2A. ACCOUNT IDENTIFICATION - NEW ACCOUNTS</b>				<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>New Account Identification and Treatment</b>						
<i>Desired Outcome #7: New Accounts are defined in the context of the business and are documented.</i>						
1	There are procedures to define, identify and document New Accounts for appropriate treatment according to the CRS.					
<b>Account Holder Information Collection and Form Completion</b>						
<i>Desired Outcome #8: Complete and accurate information for CRS compliance is collected in a timely manner during account opening in accordance with the CRS.</i>						
2	There are procedures to ensure the collection of valid self-certification for New Accounts in accordance with the CRS.					
3	The design and content of the self-certification form ensure that the information collected meets the CRS requirements of a valid self-certification.					
4	There are procedures to collect information of Controlling Persons where required under the CRS.					
<b>Review of Account Opening Documents</b>						
<i>Desired Outcome #9: Review of Account Holder and Controlling Person is based on appropriate documentation and is done in accordance with the CRS requirements.</i>						
5	There are procedures to ensure the proper application of the reasonableness test.					
6	The conduct of reasonableness test includes the review of information obtained in connection with the opening of the account, including documentation collected from applying AML/ KYC Procedures.					
7	Where the “day-two” process <sup>^</sup> is adopted due to specificities of a transaction or business sector, there are procedures to ensure that the basis for adopting the “day-two” process is documented and in line with the CRS.					
8	Where the “day-two” process <sup>^</sup> is applied, there are procedures to ensure timely follow-up when the reasonableness test fails.					

<sup>^</sup> The “day-two” process should be understood within the context of clarifications provided in the CRS FAQs issued by IRAS and the OECD.

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL (cont'd)</b>				
<b>SECTION 2A. ACCOUNT IDENTIFICATION - NEW ACCOUNTS</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Opening of Accounts</b>				
<i>Desired Outcome #10: Only accounts which comply with CRS requirements are opened.</i>				
9	There are procedures to prevent account opening when the account does not comply with CRS requirements.			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL</b>				
<b>SECTION 2B. ACCOUNT IDENTIFICATION – PREEXISTING ACCOUNTS</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Determination of Preexisting Accounts</b>				
<i>Desired Outcome #11: Preexisting Accounts are defined in the context of the business and are documented.</i>				
1	There are procedures to identify Preexisting Entity Accounts, Preexisting High Value Individual Accounts and Preexisting Lower Value Individual Accounts based on the definitions in the CRS, and document them.			
2	There are procedures to ensure that accounts not required to be reviewed for CRS purposes are determined and documented prior to starting the due diligence review of Preexisting Accounts.			
3	There are procedures to verify and confirm that all the conditions for treating New Accounts as Preexisting Accounts under Regulation 15(13)(b) of the CRS Regulations are satisfied and documented, where such treatment is adopted by the Reporting SGFI.			
<b>Optional Treatments in the Due Diligence Procedures for Preexisting Accounts</b>				
<i>Desired Outcome #12: Optional rules on due diligence procedures are adopted in accordance with the CRS and documented.</i>				
4	There is documentation on the Reporting SGFI's election to treat Preexisting Accounts as New Accounts in accordance with the CRS.			
5	There is documentation on the Reporting SGFI's election to apply review procedures for High Value Accounts to Lower Value Accounts in accordance with the CRS.			
<b>Review Procedures</b>				
<i>Desired Outcome #13: Review procedures are applied appropriately to the Preexisting Account types and conducted according to the CRS.</i>				
6	There are specific review procedures for the different types of Preexisting Accounts which are in accordance with the CRS requirements.			
7	There are policies and procedures to ensure that the residence address test is only applied when the conditions under the CRS are met, and that the policies and procedures are in accordance with the CRS requirements.			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL (cont'd)</b>				
<b>SECTION 2B. ACCOUNT IDENTIFICATION – PREEXISTING ACCOUNTS</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
8	There are measures in place to ensure that the electronic record search is applied to the relevant accounts, and that it is conducted according to the CRS.			
9	There are measures in place to ensure that the paper record search is applied to the relevant accounts, and that it is conducted according to the CRS.			
10	There are measures in place to ensure that the Relationship Manager Inquiry is applied to the relevant accounts, and that it is conducted according to the CRS.			
11	For Preexisting Entity Accounts which are held by Passive NFE Account Holders, there are measures in place to ensure that the controlling persons are determined according to the CRS.			
<b>Identification and Treatment of Undocumented Accounts</b>				
<i>Desired Outcome #14: Undocumented Accounts are identified for appropriate CRS treatment.</i>				
12	There are processes to ensure that Undocumented Accounts are identified based on the definition in the CRS.			
13	There are processes in place to track and initiate follow-up actions for Undocumented Accounts, where applicable (e.g. High Value Accounts).			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL</b>				
<b>SECTION 2C. ACCOUNT MONITORING PROCEDURES</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Monitoring of Account Details</b>				
<i>Desired Outcome #15: Change in circumstance (“CIC”) and other changes (e.g. account balances exceeding threshold) to Account Holder information are defined and identified.</i>				
1	There are procedures to ensure that the definition of CIC used by the Reporting SGFI is consistent with the CRS.			
2	There is a process to monitor and identify CIC to ensure correct treatment according to the CRS.			
3	There is a process to ensure any changes in Account Holder information available to the Reporting SGFI (e.g. arising from operations staff, relationship manager, etc.) are recorded for follow-up procedures.			
4	When an account balance exceeds the relevant threshold for the account type under the CRS, there are processes to ensure relevant CRS due diligence procedures are triggered to review the account.			
5	Where the Reporting SGFI has reason to know that the CRS information relating to an Account Holder is unreliable or incorrect, there are processes to address the inconsistency according to the CRS.			
<b>Documentation and Follow-up of CIC and Other Changes</b>				
<i>Desired Outcome #16: CIC and other changes to Account Holder information identified are documented, tracked and followed up to ensure timely resolution.</i>				
6	There are processes to document and track the CIC and other changes as well as disseminate relevant information to respective teams in charge of follow-up actions.			
7	There is a process to document the outcome of follow-up actions arising from CIC and other changes.			
8	There are processes to ensure timely outreach, appropriate treatment and collection of documentation arising from any CIC and other changes in Account Holder information within 90 days or the end of the calendar year following the notice or discovery of the CIC, whichever is later.			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL (cont'd)</b>				
<b>SECTION 2C. ACCOUNT MONITORING PROCEDURES</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
9	When residence address test is applied for Preexisting Lower Value Accounts and a self-certification and new Documentary Evidence are not obtained within the later of 90 days or end of the calendar year following the notice or discovery of a CIC, there are processes to ensure that electronic record search is conducted on such accounts.			
<b>Review of Undocumented Accounts, Dormant Accounts and Excluded Accounts</b>				
<i>Desired Outcome #17: The above accounts are monitored and reviewed annually/periodically.</i>				
10	There is a process to conduct annual review of Undocumented Accounts by re-applying the enhanced review procedures to determine tax residency of the Account Holder, where applicable (e.g. High Value Accounts).			
11	There are processes to ensure that the Undocumented Accounts, Dormant Accounts and Excluded Accounts are reviewed periodically and continue to be classified correctly under the CRS.			

<b>SECTION 2 - CRS CONTROLS AT PROCESS LEVEL</b>				
<b>SECTION 2D. ACCOUNT CLOSING PROCEDURES</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Identification of Closed Accounts</b>				
<i>Desired Outcome #18: Account closure is defined and its occurrence is identified for relevant treatment under the CRS.</i>				
1	There are procedures in place to ensure that the definition of closed accounts used by the Reporting SGFI is consistent with the guidance provided in the Commentary to the OECD CRS*.			
2	There is a process to identify closed accounts for the reporting year.			
<b>Finalising Closed Accounts</b>				
<i>Desired Outcome #19: Specific accounts are reviewed upon account closure.</i>				
3	There are procedures to ensure that reviews are conducted prior to closure of Dormant Accounts initiated by Account Holders.			
4	There are procedures to follow up on the outcome of the reviews and ensure that CRS relevant documentation is obtained prior to closure of Dormant Accounts initiated by Account Holders.			
<b>Recording Closure of Accounts</b>				
<i>Desired Outcome #20: The occurrence of account closure is recorded accurately and in a timely manner.</i>				
5	There are processes to ensure that closed accounts are recorded accurately and in a timely manner for reporting purposes under the CRS.			

*\*Definition of closed accounts used in the Reporting SGFI is consistent with the applicable laws in Singapore or if the applicable law does not address closure of accounts, an account will be considered to be closed according to the normal operating procedures of the Reporting SGFI that are consistently applied for all accounts maintained by such institution*



<b>SECTION 3 - CRS CONTROLS AT REPORTING LEVEL</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>CRS Data Extraction and Report/Return Preparation</b>				
<i>Desired Outcome #21: The Reporting SGFI extracts complete and accurate CRS data, and prepares the CRS report/return in accordance with the updated CRS XML Schema (or the fillable PDF form) and the IRAS CRS XML User Guide.</i>				
1	There are procedures to ensure that the extraction of CRS data from the Reporting SGFI's database is done accurately and within an appropriate cut-off period.			
2	There are procedures to reconcile and agree the CRS report/return with the source data in the Reporting SGFI's database.			
3	There are review checks conducted (e.g. analytical reviews, exception testing, etc.) to ensure the completeness and accuracy of the CRS report/return.			
4	There are procedures to ensure that the format of the CRS report/return conforms to the most updated CRS XML schema (or fillable PDF form) and the <a href="#">IRAS CRS XML User Guide</a> available on IRAS' website.			
<b>Submission of CRS Report/Return</b>				
<i>Desired Outcome #22: The CRS report/return is reviewed and submitted to IRAS by the statutory deadline.</i>				
5	There are processes to monitor submission deadlines to ensure timely CRS reporting to IRAS.			
6	There are processes to ensure that internal checks and approvals are obtained prior to making the CRS report/return submission to IRAS.			
7	There are processes to ensure that the Reporting SGFI submits a Nil Return to IRAS when the Reporting SGFI maintains no reportable account in the relevant calendar year.			

<b>SECTION 3 - CRS CONTROLS AT REPORTING LEVEL (cont'd)</b>		<b>Yes</b>	<b>No</b>	<b>NA</b>
<b>Managing Errors and Amendments from CRS Reports/Returns</b>				
<i>Desired Outcome #23: Submission errors are addressed and resubmissions are done in a timely manner.</i>				
8	There are processes to monitor and correct errors relating to CRS reports/returns in a timely manner.			
9	There are processes to investigate and address the root causes of errors to prevent similar occurrences in future reporting.			
10	When errors relating to CRS reports/returns are found, there are processes to ensure that the Reporting SGFI resubmits its CRS reports/returns to IRAS in a timely manner.			