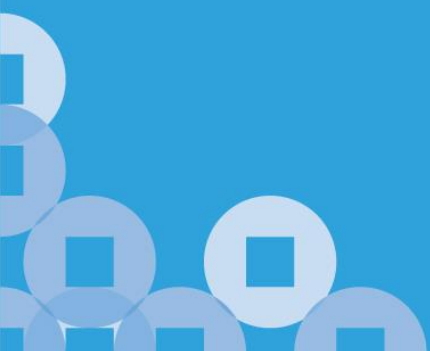




INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

# IRAS e-Tax Guide

## Common Reporting Standard (Second Edition)



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## **1 Aim**

- 1.1 The Common Reporting Standard (CRS) is an internationally agreed standard for the automatic exchange of financial account information between jurisdictions for tax purposes, to better combat tax evasion and ensure tax compliance.
- 1.2 Singapore has committed to implement the CRS, with the first exchange of financial account information relating to calendar year 2017 having taken place in September 2018. This e-Tax Guide, read with IRAS-issued CRS FAQs and other guidance on the IRAS website, provides guidance to entities, particularly SGFIs, in understanding the CRS framework and their CRS compliance obligations. In addition, Reporting SGFIs are expected to rely closely on guidance issued by the OECD, such as the commentary on the CRS (referred to as 'the OECD CRS Commentary'), the CRS Implementation Handbook (Second Edition) and the OECD's CRS-related FAQs<sup>1</sup> unless they are inconsistent with Singapore's implementation of the Wider Approach under the international standard.

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<sup>1</sup> The links to these documents are provided on the IRAS CRS webpage.

## **2 At a Glance**

- 2.1 Under the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (CRS Regulations), a SGFI that is treated as a Reporting SGFI is required to conduct due diligence on all Financial Accounts it maintains. With respect to each of such Financial Account, the Reporting SGFI is required to: (i) determine the tax residence(s) of its Account Holder and, if the Account Holder is a Passive NFE, the Controlling Persons of the Passive NFE; and (ii) report to the IRAS on an annual basis, the particulars and account information of that Account Holder, and where applicable, the particulars of the Controlling Persons that are tax residents of jurisdictions that Singapore has a CAA for CRS with. This reporting is to be done by 31 May of the year following the calendar year during which the Reportable Accounts were maintained.
- 2.2 IRAS will in turn transmit the financial account information of Reportable Persons to the respective tax authorities of the Reportable Jurisdictions in which such persons are tax resident pursuant to the terms of the applicable CAAs.
- 2.3 This e-Tax Guide covers:
- the types of entities that are regarded as FIs, Reporting SGFIs, Non-Reporting SGFIs and NFEs under the CRS;
  - the types of in-scope Accounts (Financial Accounts) and Excluded Accounts;
  - the due diligence procedures required to be applied by Reporting SGFIs to identify Reportable Accounts;
  - the registration requirements of Reporting SGFIs; and
  - the information to be reported by Reporting SGFIs.

### 3 Glossary

3.1 The following terms and acronyms are used through this e-Tax Guide.

<b>Term</b>	<b>Description</b>
AEOI	Automatic Exchange of Information  It entails systematic and regular transmission of specified information between two jurisdictions.
Active NFE	Active Non-Financial Entity as described in Section 7.5 of this e-Tax Guide
AML / KYC	Anti-Money Laundering / Know-Your-Customer
AML / KYC Procedures	The customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject
CAA	Competent Authority Agreement
Cash Value	“Cash Value” as defined in Section 8.5.2 of this e-Tax Guide
CCP	Central Counterparty Clearing House
CDA	Child Development Account as defined in Regulation 2 of the Child Development Co-Savings Regulations
CDP	The Central Depository
CIS	Collective Investment Scheme
CIV	Collective Investment Vehicle

<p>Controlling Person</p>	<p>The natural person who exercises control over an Entity.</p> <p>For an Entity that is a legal person, the term “Controlling Persons” means the natural person(s) who exercises control over the Entity. “Control” over an Entity is generally exercised by the natural person(s) who ultimately has a controlling ownership interest in the Entity. A “controlling ownership interest” depends on the ownership structure of the legal person and is usually identified on the basis of a threshold applying a risk-based approach (e.g., any person(s) owning more than a certain percentage of the legal person, such as 25%). Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means. Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be the natural person(s) who holds the position of senior managing official.</p> <p>In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust. The settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries must always be treated as Controlling Persons of the trust, regardless of whether or not any of them exercises control over the trust. In addition, any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership) must also be treated as a Controlling Person of the trust.</p> <p>In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions as those that are Controlling Persons of a trust.</p> <p>In relation to legal persons that are functionally similar to trusts (e.g., foundations), Reporting SGFIs should identify Controlling Persons through similar customer due diligence procedures as those required for trusts, with a view to achieving appropriate levels of reporting.</p> <p>The term “Controlling Persons” corresponds to the term “beneficial owner” as described in Recommendation 10 and the Interpretative Note on Recommendation 10 of the FATF Recommendations (as adopted in February 2012), and must be interpreted in a manner consistent with the FATF Recommendations.</p>
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Convention	Convention on Mutual Administrative Assistance in Tax Matters
CPF	Central Provident Fund
CRS	The Common Reporting Standard or The Standard for Automatic Exchange of Financial Account Information in Tax Matters, developed by the OECD
CRS Regulations	Singapore Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016
CSD	Central Securities Depository
CSD Related Entity	A Singapore Entity that is a direct or indirect subsidiary or affiliate of the CSD used solely to provide services ancillary to the business operated by the CSD
Custodial Institution	A financial entity that is treated as a FI and is described in Section 5.3 of this e-Tax Guide. This includes financial custodians and brokers holding Financial Assets on behalf of clients
Depository Institution	A financial entity that is treated as a FI and is described in Section 5.4 of this e-Tax Guide. This category of FI includes banks and institutions that accept deposits in the ordinary course of a banking business
Direct CSD Account	An account where the participants of the Singapore securities settlement system hold interests recorded in a CSD directly
Entity	A legal person or a legal arrangement such as a trust, and covers any person other than an individual
Entity Account	A Financial Account held by Entities



<p>Established securities market</p>	<p>An exchange that:</p> <ul style="list-style-type: none"> <li>a. is officially recognised and supervised by a governmental authority in which the market is located; and</li> <li>b. has an annual value of shares traded on it (or on its predecessor) exceeding US\$1,000,000,000 during each of the three calendar years immediately preceding the calendar year in which the determination as to whether the exchange is an established securities market is made</li> </ul> <p>If an exchange has more than one tier of market level on which stock may be separately listed or traded, each such tier must be treated as a separate exchange.</p>
<p>Excluded Accounts</p>	<p>Accounts that are excluded from the definition of Financial Accounts</p> <p>These accounts are seen to present a low risk of being used for tax evasion. They are discussed in Section 9 of this e-Tax Guide.</p>
<p>FATCA</p>	<p>Foreign Account Tax Compliance Act, which is a reporting regime for FIs with respect to Financial Accounts that are held by Specified US persons for tax purposes</p>
<p>FAQ</p>	<p>Frequently Asked Question</p>
<p>FATF</p>	<p>Financial Action Task Force</p>
<p>FI</p>	<p>Financial Institution, means a custodial Institution, a Depository Institution, an Investment Entity or a Specified Insurance Company</p>

Financial Account	<p>An account maintained by a FI, and includes a Depository Account, Custodial Account, and:</p> <ul style="list-style-type: none"> <li>a. in the case of an Investment Entity, any Equity or Debt Interest in the FI. Notwithstanding the foregoing, the term “Financial Account” does not include any Equity or Debt Interest in an Entity that is an Investment Entity solely because it: (i) renders investment advice to, and acts on behalf of; or (ii) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a FI other than such Entity;</li> <li>b. in the case of a FI not described in subparagraph (a), any Equity or Debt Interest in the FI, if the class of interests was established with a purpose of avoiding reporting; and</li> <li>c. any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a FI, other than a noninvestment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account</li> </ul> <p>The term “Financial Account” does not include any account that is an Excluded Account (refer to Section 9 below on “Excluded Accounts”).</p>
Foreign Jurisdiction	A jurisdiction outside Singapore
High Value Account	A Preexisting Individual Account with an aggregate balance or value that exceeds US\$1,000,000 as of 31 December 2016 or 31 December of any subsequent year
IGA	Intergovernmental Agreement
Indirect CSD Account	An account where the participants of the Singapore securities settlement system hold interests recorded in a CSD through SGFIs (such as depository agents)
Individual Account	A Financial Account held by individuals

Investment Entity	A financial entity that is treated as a FI and is described in Section 5.5 of this e-Tax Guide. This may include institutionally managed investment funds and certain FIs engaged in portfolio and fund management.
IRAS	Inland Revenue Authority of Singapore
IRAS CRS Webpage	This webpage provides information on CRS and its implementation in Singapore. It is available at <a href="https://www.iras.gov.sg/taxes/international-tax/common-reporting-standard-(crs)/crs-overview-and-latest-developments">https://www.iras.gov.sg/taxes/international-tax/common-reporting-standard-(crs)/crs-overview-and-latest-developments</a> .
MAS	Monetary Authority of Singapore
MCAA	Multilateral Competent Authority Agreement
LLP	Limited Liability Partnership
Lower Value Account	A Preexisting Individual Account with an aggregate balance or value as of 31 December 2016 that does not exceed US\$1,000,000
New Account	A Financial Account maintained by a Reporting SGFI and that is opened on or after 1 January 2017
New Entity Account	A New Account held by one or more Entities
New Individual Account	A New Account held by one or more persons who are individuals
NFE	Non-Financial Entity  A NFE is an Entity that does not meet the definition of a FI.
Non-Reporting SGFI	Non-Reporting Singaporean Financial Institution

	Any SGFI, resident in Singapore, that is described in Section 6 of this guide as a Non-Reporting SGFI
OECD	Organisation for Economic Co-operation and Development
Participating Jurisdiction	<p>Under the CRS, a Participating Jurisdiction is a jurisdiction with which:</p> <ol style="list-style-type: none"> <li>a. an agreement is in place pursuant to which there is an obligation to automatically exchange information on Reportable Accounts; and</li> <li>b. is identified on a published list.</li> </ol> <p>Refer to Section 4.4 of this e-Tax Guide on “Participating Jurisdictions”.</p>
Passive NFE	<p>Passive Non-Financial Entity (NFE)</p> <p>It is either: (i) a NFE that is not an Active NFE; or (ii) a professional managed Investment Entity (as described in Section 5.5 of this e-Tax Guide) that is not a Participating Jurisdiction FI.</p>
PIC	Personal Investment Company
POC	Point of Contact
Preexisting Account	<p>Either</p> <ol style="list-style-type: none"> <li>a. a Financial Account maintained by a Reporting SGFI as of 31 December 2016; or</li> <li>b. any other Financial Account maintained by a Reporting SGFI on or after 1 January 2017 if all of the following conditions are satisfied: <ol style="list-style-type: none"> <li>i. as of 31 December 2016, the Account Holder of the Financial Account has a Financial Account with the Reporting SGFI or a local Entity that is related to the institution;</li> <li>ii. the Reporting SGFI treats one or more of the Financial Accounts mentioned in subparagraph (a), of the Account Holder, and all other Financial Accounts of the Account Holder that are treated as</li> </ol> </li> </ol>

	<p>Preexisting Accounts under subparagraph (b) that are maintained by —</p> <p>(A) the institution; and</p> <p>(B) all local entities that are related to the institution (if any),</p> <p>as a single Financial Account for the purpose of determining whether an amount of any matter mentioned in a prescribed provision in respect of such single Financial Account, exceeds the maximum amount specified for that matter in that provision;</p> <p>iii. the Reporting SGFI does not know and does not have any reason to know that any self - certification or Documentary Evidence of the Financial Account or any of the Financial Accounts treated as a single Financial Account under subparagraph (ii) is incorrect or unreliable;</p> <p>iv. where the Reporting SGFI is required by any written law to perform AML / KYC Procedures on the Financial Account, the institution has performed the AML / KYC Procedures on the Financial Account; and</p> <p>v. the Reporting SGFI does not require the provision of any new, additional or amended information by the Account Holder for the opening of the Financial Account, other than for the purposes of facilitating the institution compliance with its CRS due diligence and reporting obligations.</p>
<p>Preexisting Entity Account</p>	<p>A Preexisting Account held by one or more Entities</p>
<p>Preexisting Individual Account</p>	<p>A Preexisting Account held by one or more individuals</p>
<p>PSE Account</p>	<p>Post-Secondary Education Account as defined in Section 2(1) of the Education Endowment and Savings Schemes Act</p>
<p>REIT</p>	<p>Real Estate Investment Trust</p>

<p>Regularly traded</p>	<p>With respect to each class of stock of a corporation, it is regularly traded if:</p> <ul style="list-style-type: none"> <li>a. trades in the class of stock are effected, other than in <i>de minimis</i> quantities, on one or more established securities markets for at least 60 business days during the prior calendar year; and</li> <li>b. the aggregate number of shares in the class of stock that are traded on such market or markets during the prior calendar year are at least 10% of the average number of shares outstanding in that class during the prior calendar year.</li> </ul>
<p>Related Entity</p>	<p>An Entity is a Related Entity of another Entity if:</p> <ul style="list-style-type: none"> <li>a. one Entity controls the other Entity;</li> <li>b. the 2 Entities are controlled by the same person; or</li> <li>c. all the following conditions are satisfied with respect to the 2 Entities: <ul style="list-style-type: none"> <li>i. both Entities are professionally managed (Type B) Investment Entities as described in Section 5.5 of this e-Tax Guide;</li> <li>ii. the assets of the two Entities are managed by the same person; and</li> <li>iii. the person mentioned in subparagraph (ii) complies with the CRS due diligence requirements with respect to the Financial Accounts that the two Entities maintain.</li> </ul> </li> </ul>
<p>Reportable Account</p>	<p>A Financial Account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the CRS due diligence procedures</p>

<p>Reportable Person</p>	<p>A Reportable Jurisdiction Person other than:</p> <ul style="list-style-type: none"> <li>• A corporation the stock of which is regularly traded on one or more established securities markets;</li> <li>• Any corporation that is a Related Entity of a corporation described above;</li> <li>• A Governmental Entity;</li> <li>• An International Organisation;</li> <li>• A Central Bank; or</li> <li>• A FI.</li> </ul>
<p>Reportable Jurisdiction</p>	<p>A jurisdiction with which Singapore has an exchange relationship for CRS that is in force</p> <p>The list of “Reportable Jurisdictions” is published on the IRAS CRS webpage.</p>
<p>Reportable Jurisdiction Person</p>	<p>An individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent who was a resident of a Reportable Jurisdiction</p> <p>For this purpose, an Entity such as a Partnership, LLP, or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.</p>
<p>Reporting SGFI</p>	<p>Reporting Singaporean Financial Institution</p> <p>It refers to:</p> <p style="padding-left: 40px;">(a) any FI (but not in relation to any branch of the FI located outside Singapore) that is resident in Singapore; or</p> <p style="padding-left: 40px;">(b) any FI (in relation to its branch located in Singapore) not resident in Singapore,</p> <p>but excludes any Non-Reporting SGFI.</p>

Self-certification	<p>A “self-certification”, in relation to a Financial Account opened with a Reporting SGFI, means a statement containing information:</p> <ul style="list-style-type: none"> <li>a. relating to the Financial Account;</li> <li>b. reasonably required by the Reporting SGFI for the purpose of complying with the due diligence and reporting obligations that are provided for in the CRS Regulations; and</li> <li>c. provided by the Account Holder, or in a case where the Account Holder is a Passive NFE and the statement only contains information of the residences for tax purposes of the Controlling Person(s) of the Account Holder, the Account Holder or the Controlling Person(s).</li> </ul>
SGD	Singapore Dollar
SGFI	Singaporean Financial Institution
SGX	Singapore Exchange
Specified Insurance Company	An insurance company that is treated as a FI and is described in Section 5.11 of this e-Tax Guide
SRS	Supplementary Retirement Scheme
TIN	Taxpayer Identification Number
UEN	Unique Entity Number
US	United States



US Person	A US citizen or resident individual, a partnership or corporation organised in the US or under the laws of the US or any State thereof, a trust if (i) a court within the US would have authority under applicable law to render order or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is citizen or resident in the US
Wider Approach	Approach to CRS that requires a Reporting SGFI to establish the tax residency status of <b>all</b> their Account Holders and, where the Account Holder is a Passive NFE, the Controlling Persons of the Passive NFE in accordance with the due diligence requirements as set out in the CRS Regulations
XML	Extensible Markup Language
XML Schema	CRS XML Schema

## **4 Background**

### **4.1 What is CRS?**

- 4.1.1 The CRS is an internationally agreed standard for the automatic exchange of financial account information between jurisdictions for tax purposes. Endorsed by the OECD and the Global Forum for Transparency and Exchange of Information for Tax Purposes, the CRS is intended to detect and deter tax evasion by tax residents of jurisdictions through the use of offshore banks and other Financial Accounts. The CRS sets out the Financial Account information to be exchanged, the FIs required to report, the different types of accounts and persons covered, as well as the Account Holder due diligence procedures to be followed by FIs.
- 4.1.2 For CRS purposes, Reporting SGFIs can build and expand upon their existing AML / KYC and FATCA compliance processes to manage the new CRS due diligence and reporting requirements.
- 4.1.3 However, the CRS differs from the FATCA Model 1 IGA requirements in several ways<sup>2</sup>, mainly because of the multilateral dimension of the CRS. For example, the CRS focuses only on tax residence to identify Reportable Persons whereas FATCA looks at both citizenship and tax residence in the identification of US Persons. While FATCA does not require Reporting SGFIs to review a Preexisting Individual Account with a balance that does not exceed US\$50,000, or a Cash Value Insurance Contract or an Annuity Contract with a balance that does not exceed US\$250,000, the CRS does not include such thresholds to exempt Preexisting Individual Accounts from CRS due diligence and reporting.

### **4.2 CRS Implementation in Singapore**

- 4.2.1 Singapore enacted the CRS Regulations which entered into force on 1 January 2017. The CRS Regulations adopt the CRS and provide specifications as applicable to Singapore and SGFIs.
- 4.2.2 In addition to the CRS Regulations and this e-Tax Guide, IRAS has issued a set of CRS FAQs and published information for Account Holders of Reporting SGFIs to understand how they will be affected by CRS implementation in Singapore. These are available on the IRAS CRS webpage.

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<sup>2</sup> Please refer to the CRS Implementation Handbook for a more detailed comparison of the differences between CRS and the FATCA Model 1 IGA.

### **4.3 The Wider Approach**

4.3.1 Singapore adopts the “Wider Approach” to CRS implementation. This requires and empowers Reporting SGFIs to establish the tax residency of all their Account Holders and, where the Account Holder is a Passive NFE, the Controlling Persons of the Passive NFE in accordance with the due diligence requirements as set out in the CRS Regulations. The Wider Approach is a cost-effective approach for the industry as Reporting SGFIs will not need to repeatedly review the same Financial Accounts to re-establish whether such accounts are reportable each time Singapore enters into a new CRS exchange relationship with a jurisdiction.

### **4.4 Participating Jurisdictions**

4.4.1 Under the CRS, a Participating Jurisdiction is a jurisdiction with which:

- a. an agreement is in place pursuant to which there is an obligation to automatically exchange information on Reportable Accounts; and
- b. is identified on a published list.

4.4.2 In line with the approach outlined in the CRS Implementation Handbook, Singapore will consider all jurisdictions that have publicly and at government level committed to adopt CRS as Participating Jurisdictions.

4.4.3 The list of Participating Jurisdictions is available on the IRAS CRS webpage. It will be updated at least once a year to reflect changes in jurisdictions’ commitment to and implementation of CRS.

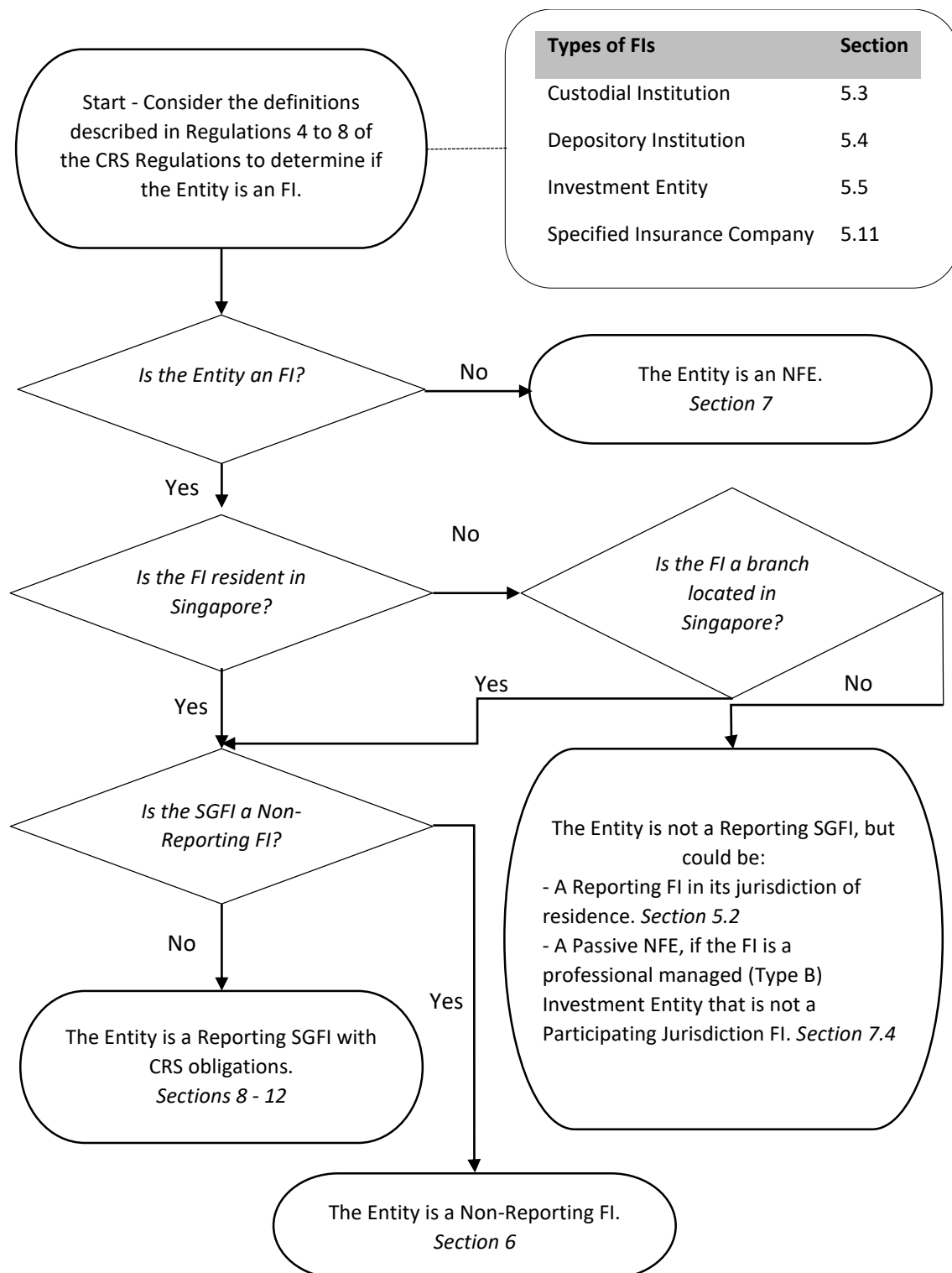
4.4.4 The status of Participating Jurisdictions is relevant for a Reporting SGFI to determine whether an Account Holder that is a “professionally managed” Investment Entity has to be treated as a Passive NFE for due diligence and reporting purposes. If an Investment Entity, as described in Paragraph A(6)(b) of Section VIII of the CRS, is not resident in a Participating Jurisdiction, the Reporting SGFI has to regard such an Investment Entity Account Holder as a Passive NFE and “look through” the Entity to determine if the Controlling Persons of the Entity are Reportable Persons.

## **5 Financial Institutions**

### **5.1 Overview of CRS Classifications for Singapore Entities**

- 5.1.1 Entities can be classified into different categories and are subject to varying obligations and requirements particular to their categorisation. Figure 1 below summarises the steps to determine the CRS classification of an Entity. The first step to be undertaken by a Singapore Entity (or its representative) to determine its CRS classification is to establish whether it is a FI or a NFE.
- 5.1.2 Entities can use the [CRS Entity Classification self-review tool](#) to determine their CRS entity classification. The self-review tool is available on the IRAS CRS webpage.
- 5.1.3 A Singapore Entity will be a FI under Regulations 4 to 8 of the CRS Regulations if it falls within any of the following categories:
- Custodial Institution (refer to Section 5.3 below);
  - Depository Institution (refer to Section 5.4 below);
  - Investment Entity (refer to Section 5.5 below); or
  - Specified Insurance Company (refer to Section 5.11 below).
- 5.1.4 Each category of FI is determined by a set of criteria, as described in the corresponding sections listed above.
- 5.1.5 SGFIs (refer to Section 5.2 below) will be classified either as Reporting SGFIs or Non-Reporting SGFIs. Reporting SGFIs are responsible for ensuring that their CRS due diligence, registration and reporting requirements are met. A Non-Reporting SGFI is one that qualifies as such under Regulation 10 of the CRS Regulations (further described in Section 6 below). Non-Reporting SGFIs are generally not required to perform CRS due diligence procedures and report on Financial Accounts.
- 5.1.6 Where a Singapore Entity does not meet the definition of a FI, it will be classified as a NFE. NFEs are in turn divided into two sub-categories: (i) Active NFEs and (ii) Passive NFEs. Please refer to Section 7 below for more details on NFEs.

**Figure 1: Classification of an Entity**



## 5.2 Reporting Singaporean Financial Institutions

5.2.1 Under the CRS Regulations, a Reporting SGFI is:

- a. any FI (but not in relation to any branch of the FI located outside Singapore) that is resident in Singapore; or
- b. any FI, in relation to its branch located in Singapore, not resident in Singapore,

but excludes any Non-Reporting SGFI.

5.2.2 The CRS provides specific rules to determine the tax residence of Entities. The general rule is that FIs are resident in a jurisdiction based on the tax laws of that jurisdiction. Basic residence rules and their application to FIs are shown in the table below:

Entity	Tax Residence under CRS
Entities (except trusts, and Entities that do not have a residence for tax purposes)	<p>The jurisdiction in which the Entity is resident under the tax laws of the jurisdiction.</p> <p>An Entity is resident in Singapore if control and management of its business is exercised in Singapore.</p>
Entities that do not have a residence for tax purposes (e.g., because it is treated as fiscally transparent or it is located in a jurisdiction that does not have income tax)	<p>In these cases, the Entity is treated as resident in the jurisdiction where it is incorporated under the laws of, has its place of effective management, or where it is subject to financial supervision.</p>
Trusts	<p>Where one or more trustees are tax resident, unless the required information is being reported to another Participating Jurisdiction because the trust is treated as a resident for tax purpose in such other Participating Jurisdiction.</p> <p>A trustee is tax resident in Singapore if:</p> <ul style="list-style-type: none"> <li>i) the trustee is an individual and is physically present or exercises employment in Singapore for at least 183 days during the calendar year; or</li> <li>ii) if the trustee is an Entity and control and management of its business is exercised in Singapore.</li> </ul>

- 5.2.3 Where an Entity, other than a trust, is tax resident in two or more Participating Jurisdictions, it will be subject to the CRS due diligence obligations of the Participating Jurisdiction in which it maintains the Financial Account(s), and is required to report such Financial Account(s) maintained in the Participating Jurisdiction to the tax authority of the Participating Jurisdiction.
- 5.2.4 In the case of a trust, for CRS purposes, the trust is considered to be tax resident in a Participating Jurisdiction where one or more of its trustees are tax resident. A trust that is a FI, and is resident for CRS purposes in Singapore as well as one or more Participating Jurisdictions, is not required to register with IRAS as a Reporting SGFI if all the information required to be reported in relation to Reportable Accounts of the trust is reported to another Participating Jurisdiction's tax authority because the trust is treated as resident for tax purposes in such other Participating Jurisdiction. In order to be exempted from registration with IRAS, each trustee must be able to demonstrate that all necessary reporting by the trust is actually taking place.
- 5.2.5 Branches of Reporting SGFIs that are not located in Singapore are excluded from the scope of the CRS Regulations and will not be regarded as Reporting SGFIs. These branches may nevertheless be subject to the domestic CRS legislation of the jurisdiction where the branch is located.
- 5.2.6 The rules governing tax residence of CRS Participating Jurisdictions are available on OECD's [Automatic Exchange Portal](#).

### **5.3 Custodial Institutions**

- 5.3.1 A Custodial Institution is an Entity that holds, as a substantial portion of its business, Financial Assets for the account of others.
- 5.3.2 Under Regulation 5 of the CRS Regulations, a Custodial Institution specifically includes:
- the holder of a capital markets services licence under the Securities and Futures Act (Cap. 289) for carrying out the regulated activity of providing custodial services for securities;
  - a person (other than an individual) that is exempt under section 99(1)(a) to (d) and (g) and (h) of Securities and Futures Act (Cap. 289), read with paragraph 6 of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations, from the requirement to hold a capital markets services licence to carry out the regulated activity of providing custodial services for securities; and
  - a licenced trust company under the Trust Companies Act (Cap. 336).

An Entity described in this section will be deemed to be a Custodial Institution without regard to the actual application of the 20% "substantial portion" test set out in Section 5.3.3 below.

- 5.3.3 For purposes of the “substantial portion” test, an Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of:
- the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or
  - the period during which the Entity is in existence.
- 5.3.4 Income attributable to the holding of Financial Assets and related financial services includes:
- custody, account maintenance and transfer fees;
  - commissions and fees earned from executing pricing securities transactions with respect to Financial Assets held in custody;
  - income earned from extending credit to customers with respect to Financial Assets held in custody (or acquired through such extension of credit);
  - income earned from contracts for differences and on the bid-ask spread of Financial Assets;
  - fees for providing financial advice with respect to Financial Assets held in (or potentially to be held in) custody by the Entity; and
  - fees for clearance and settlement services.
- 5.3.5 While the term “Financial Asset” does not refer to assets of every kind, it is intended to encompass any asset that may be held in an account maintained by a FI with the exception of a non-debt, direct interest in real property and includes:
- a security (e.g., a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded Partnership or trust; note, bond, debenture or other evidence of indebtedness);
  - partnership interest;
  - commodity (but not a commodity that is a physical good, such as wheat);
  - swap (e.g., interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps and similar arrangements);



- Insurance Contract or Annuity Contract; or
- Any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract.

5.3.6 Custodial Institutions could include custodian banks, brokers (i.e., trading and clearing), central securities depositories, trust companies and nominees. Insurance brokers or Execution-only brokers that do not hold assets on behalf of clients will not be a Custodian Institution.

5.3.7 'Advisory-only' distributors may include financial advisors, whose activities do not go beyond the provision of investment advice to their customers and / or acting as an intermediary between the CIS, or fund platform and the customer. Such distributors will not hold legal title to the assets and therefore are not in the chain of legal ownership of the CIS. As such, they will not be Custodial Institutions. Such distributors may nevertheless be asked by other Reporting FIs to provide assistance in identifying Account Holders and obtaining self-certifications.

5.3.8 A Custodial Institution also does not include a NFE that meets the requirement of being an Active NFE that is a holding company for a non-financial group or that provides financing services to such non-financial group members (refer to Section 7.5.1 below).

#### **5.4 Depository Institutions**

5.4.1 A Depository Institution is an Entity that accepts deposits in the ordinary course of a banking or similar business.

5.4.2 Under Regulation 6 of the CRS Regulations, a Depository Institution specifically includes:

- a bank licensed under the Banking Act (Cap. 19);
- a finance company licensed under the Finance Companies Act (Cap. 108); and
- a merchant bank approved as a FI under the Monetary Authority of Singapore Act (Cap. 186).

5.4.3 Whether an Entity conducts a banking or similar business is determined based upon the characteristics of the actual activities of such Entity. An Entity is considered to be engaged in a “banking or similar business” if, in the ordinary course of its business with customers, the Entity accepts deposits or other similar investments of funds and regularly engages in one or more of the following activities:

- makes personal, mortgage, industrial, or other loans or provides other extensions of credit;
- purchases, sells, discounts, or negotiates accounts receivable, instalment obligations, notes, drafts, checks, bills of exchange, acceptances, or other evidences of indebtedness;
- issues letters of credit and negotiates drafts drawn thereunder;
- provides trust or fiduciary services;
- finances foreign exchange transactions; or
- enters into, purchases, or disposes of finance leases or leased assets.

5.4.4 An Entity is not considered to be engaged in a banking or similar business if the Entity solely accepts deposits from persons as a collateral or security pursuant to a sale or lease of property or pursuant to a similar financing arrangement between such Entity and the person holding the deposit with the Entity.

## **5.5 Investment Entities**

5.5.1 There are 2 types of Investment Entities:

- Type A – An Entity that primarily conducts as a business investment, activities or operations for or on behalf of other persons; or
- Type B – An Entity that derives its gross income from investing, reinvesting, or trading in Financial Assets, and is managed by a FI (including a Type A Investment Entity).

5.5.2 Under Regulation 7 of the CRS Regulations, an Investment Entity specifically includes:

- the holder of a capital markets services licence under the Securities and Futures Act (Cap. 289) to carry out one of the following regulated activities:
  - a. dealing in securities;
  - b. trading in futures contracts;
  - c. leveraged foreign exchange trading;
  - d. fund management; or
  - e. real estate investment trust (REIT) management;
- a corporation registered under paragraph 5(7) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg. 10) as a Registered Fund Management Company (RFMC);
- a person (other than an individual) that is exempt under section 99(1)(a) to (d) and (h) of the Securities and Futures Act read with paragraph 2, 3, 4 or 5 of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations, from the requirement to hold a capital markets services licence to carry out one or more of the regulated activities mentioned in (a) – (e) above; and
- a licensed trust company under the Trust Companies Act (Cap. 336).

5.5.3 The definition of an Investment Entity should be interpreted in a manner consistent with similar language set forth in the definition of ‘Financial Institution’ in the FATF Recommendations.

5.5.4 An Entity is a Type A Investment Entity when it primarily conducts as a business, one or more of the following activities or operations for or on behalf of a customer:

- trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures;
- individual and collective portfolio management; or
- otherwise investing, administering or managing Financial Assets or money on behalf of other persons.

5.5.5 An Entity will be regarded as primarily conducting the activities described in Section 5.5.4 above if its gross income from conducting the relevant activities is at least 50% of its gross income during the shorter of:

- the three-year period ending on 31 December of the year preceding the year in which the determination of its status as an Investment Entity is made; or
- the period in which the Entity has been in existence.

5.5.6 A Type B Investment Entity is defined as an Entity, the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Type A Investment Entity or a Specified Insurance Company.

5.5.7 An Entity's gross income is primarily attributable to investing, reinvesting or trading in Financial Assets as described in Section 5.5.6 above if its gross income from conducting the relevant activities is at least 50% of its gross income during the shorter of:

- the three-year period ending on 31 December of the year preceding the year in which the determination of its status as an Investment Entity is made; or
- the period in which the Entity has been in existence.

5.5.8 An Entity is 'managed by' another Entity when the following are met:

- where the Entity is managed by a mix of FIs, NFEs or individuals, one of the Entities involved in the management of the Entity is a FI that is a Depository Institution, a Custodial Institution, a Type A Investment Entity or a Specified Insurance Company;
- the managing FI performs, either directly or through another service provider, any of the activities described in Section 5.5.4 above on behalf of the managed Entity; and
- the managing FI has discretionary authority to manage the Entity's assets, either in whole or in part.

**5.5.9** An Entity is not an Investment Entity in the following situations:

- where the Entity carries out investment, reinvestment and trading of Financial Assets for its own account and it is not managed by a FI. Such an Entity includes a person that is exempt under section 99(1)(h) of the Securities and Futures Act read with paragraph 2(a) or (e) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations, from the requirement to hold a capital markets services licence, and that carries on the business of dealing in securities for the person's own account.
- where the Entity is an Active NFE that meets the criteria for:
  - a. a holding NFE for a non-financial group or treasury centre that provides financing and services to members of such non-financial group;
  - b. a start-up NFE;
  - c. a NFE in liquidation or reorganisation; or
  - d. a NFE that primarily engages in financial and hedging transactions with, or for, Related Entities that are not FIs;as described in subparagraph D(9)(d) to (g) of Section VIII of the CRS and Section 7.5.1 below.
- where an Entity's business assets consist solely of non-debt direct interests in immovable properties even if it is managed by another Investment Entity. However, where a property fund or REIT uses a holding company or special purpose vehicle structure to hold immovable properties for the property fund or REIT, the interest held by the property fund or REIT in the holding company or special purpose vehicle structure is a Financial Asset, and the gross income derived from that interest is to be taken into account to determine whether the property fund or REIT will meet the definition of a Type A or Type B Investment Entity.

**5.6 Collective Investment Scheme (CIS)**

- 5.6.1** A CIS allows different investors to pool their money to invest in a portfolio of assets so as to share the risks and benefits of their investments. A CIS will fall under the category of Investment Entity as it invests, administers or manages on behalf of other persons.

- 5.6.2 As an Investment Entity, the only Financial Accounts that are relevant to a CIS are the Equity and Debt Interests in the CIS. Where the interests in the CIS are held directly by the investors or where the investors' name appears on a CIS' register, the responsibility to report on that investor lies with the CIS. Where the investors' interests in the CIS are held through intermediaries, the intermediaries are responsible for identifying and reporting on their own direct investors.
- 5.6.3 For a CIS that is incorporated as a company, the company and its directors are responsible for ensuring the CIS' compliance with its CRS obligations. For a CIS that is not incorporated as a company (e.g., a CIS that is structured as a trust), the person that is responsible for fulfilling the AML obligations of the CIS, will be responsible for compliance with CRS obligations in relation to the Financial Accounts of the CIS. This person is usually the fund manager. The CIS (or its fund manager, where applicable) may appoint service providers to fulfil the CRS obligations of the CIS. As the CRS obligations remain the responsibility of the CIS, the CIS (or the fund manager, where applicable) and the service provider should have an arrangement to exchange the necessary information such that the CRS obligations in relation to the CIS can be fulfilled (refer to Section 10.8.5 below on Reliance on third parties).
- 5.6.4 Fund distributors may fall within the definition of Investment Entity because of their role in distributing a CIS. Fund distributors may include:
- financial advisors;
  - fund platforms;
  - wealth managers;
  - brokers (including execution-only brokers);
  - banks; and
  - members of an Insurance group.
- 5.6.5 There are two types of fund distributors for CRS purposes:
- those that act as an intermediary in holding the legal title to the CIS; and
  - those that act on an advisory-only basis (refer to Section 5.3.7 above).
- 5.6.6 Where an investor appears on a CIS' register, the CIS is responsible for undertaking the CRS due diligence and reporting obligations in respect of that investor. Where a fund distributor appears on a CIS' register on behalf of their investors as nominees, the fund distributor is responsible for undertaking the CRS due diligence and reporting obligations on their investors' accounts.

5.6.7 A Singapore fund distributor may have a 'mixed business' i.e., it acts as an advisor or 'pure intermediary' between the investors and the underlying SGFI (such as a CIS), on behalf of some investors. In addition, the fund distributor may hold legal title to the CIS interests on behalf of other investors. In the case where legal title to the CIS interests is held on behalf of investors, the fund distributor will be a FI which will be responsible for undertaking the CRS due diligence and reporting obligations in respect of those interests.

## **5.7 Central Securities Depository (CSD)**

5.7.1 Where the participants of the Singapore securities settlement system hold interests recorded in a CSD directly, i.e., 'Direct CSD Accounts', the CSD will be treated as maintaining the Financial Accounts and is responsible for undertaking the CRS due diligence and reporting obligations.

5.7.2 Notwithstanding the foregoing, a CSD shall not be obligated to report information with respect to paragraph (A)(5)(b) of Section I of the CRS (i.e., related to the total gross proceeds from the sale or redemption of Financial Assets held in such a Direct CSD Account). The reporting of the gross proceeds would be undertaken by other Reporting SGFIs such as brokerage firms holding the dealings account(s) that is linked to the CDP account.

5.7.3 Conversely, where the participants of the Singapore securities settlement system hold interests recorded in a CSD through third party Reporting SGFIs (such as depository agents or custodians), the CDP would not have visibility over the identities of the beneficial owners of these nominee accounts and will not be treated as maintaining the Financial Accounts. The Reporting SGFIs that maintain such Financial Accounts will be responsible for undertaking the CRS due diligence and reporting obligations.

## **5.8 Central Counterparty Clearing House (CCP)**

5.8.1 A CCP will not be treated as maintaining Financial Accounts. With respect to the clearing of securities and derivatives through a Singapore CCP, the clearing account held by a Reporting SGFI (who is a member of the CCP) with the CCP (or FIs designated by the CCP) does not constitute a Financial Account. Accordingly, the CCP is not required to undertake any due diligence and reporting in connection with the relationship or such clearing activities. It is the Reporting SGFI (who is a member of the CCP) that maintains the Financial Accounts, that is responsible for undertaking the CRS due diligence and reporting obligations.

## **5.9 Trusts**

- 5.9.1 Trusts can be either FIs or NFEs. Where a trust meets one of the criteria to be a FI, it will most likely be an Investment Entity but it may, alternatively, meet the requirements of a Custodial Institution.
- 5.9.2 Most trusts are likely to be managed (Type B) Investment Entities (refer to Section 5.5.6 above) as they would generally satisfy both tests within this category of FI, that is, the trust's gross income must be primarily derived from investing, reinvesting or trading in Financial Assets, and the trust must be managed by a FI (refer to Sections 5.5.7 and 5.5.8 above). Trusts are generally regarded as managed by a FI where either one or more trustees is a FI, or the trustees have appointed a FI to manage the trust assets.
- 5.9.3 There are some situations, however, in which a trust may fall within the scope of a Custodial Institution. For example, shares held in a trust may be a Custodial Account and therefore subject to reporting by the trust as a Custodial Institution that maintains the account. This may be the case where an employee share scheme continues to hold Financial Assets, such as shares, for an employee after they have been granted. Conversely, where an employee share scheme holds shares for the future benefit of employees, but the shares are not allocated, then under most circumstances this right to a future allocation would not be a Custodial Account. Similarly, when shares are allocated and the trustee is directed to transfer the assets as soon as reasonably possible to the beneficiary, a broker, a custodian, etc., then the trust will not be treated as maintaining a Financial Account for the duration of the time it takes to complete the transfer.
- 5.9.4 Where the trustees of a trust are individuals (and therefore not FIs) and the trust's only asset is a Depository Account with a FI, and that FI does not have discretion to manage the account or the funds in the account, the trust will not be an Investment Entity.
- 5.9.5 A NFE can be either an Active NFE or a Passive NFE depending on its activities (refer to Section 7 below). In the case of a trust that is classified as a Passive NFE, the Reporting SGFI which maintains a Financial Account of the trust must determine and identify whether the Controlling Persons of the trust are Reportable Persons. The definition of Controlling Persons, in such cases, refers to the settlor(s), the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. The settlor(s), the trustee(s), the protector (if any), the beneficiaries or class of beneficiaries must always be treated as Controlling Persons of the trust, regardless of whether or not any of them exercises control over the trust. In addition, any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership) must also be treated as a Controlling Person of the trust.



## **5.10 Personal Investment Companies (PICs)**

5.10.1 PICs will need to consider whether they are within the definition of Investment Entity. Similar to the treatment of trusts, where a PIC's gross income is primarily derived from investing, reinvesting or trading in Financial Assets and the PIC is managed by a FI (refer to Section 5.5.6 above), it will be a Type B Investment Entity.

## **5.11 Specified Insurance Companies**

5.11.1 A Specified Insurance Company is any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to a Cash Value Insurance Contract or an Annuity Contract. It includes a licensed insurer under the Insurance Act (Cap. 142) that issues, or is obligated to make payments with respect to, one or more Cash Value Insurance Contracts or Annuity Contracts.

5.11.2 A Cash Value Insurance Contract means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value.

5.11.3 The term "Cash Value" means the greater of (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan); and (ii) the amount the policyholder can borrow under or with regard to (e.g., pledging as collateral) the contract. Refer to Section 8.5.2 below for more details on "Cash Value".

5.11.4 An Annuity Contract means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals.

5.11.5 An insurance company that issues only general insurance or Term Life Insurance Contracts described in Section 9.5 below, will not be a Specified Insurance Company and therefore will not be treated as a SGFI. It will be a NFE.

5.11.6 An insurance broker that sells Cash Value Insurance Contracts or Annuity Contracts on behalf of insurance companies is part of the payment chain and will not be a Specified Insurance Company unless it is obliged to make payments to the Account Holder under the terms of the Cash Value Insurance Contract or Annuity Contract.

## **6 Non-Reporting Financial Institutions**

6.1 A Non-Reporting FI means any FI that is:

- a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution or Depository Institution;
- a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, an International Organisation or Central Bank; or a Qualified Credit Card Issuer;
- any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described above in this section, and is defined in domestic law as a Non-Reporting FI, provided that the status of such Entity as a Non-Reporting FI does not frustrate the purposes of CRS;
- an Exempt Collective Investment Vehicle (CIV); or
- a trust to the extent that the trustee of the trust is a Reporting FI and reports all information required to be reported, with respect to all Reportable Accounts of the trust.

6.2 Regulation 10 of the CRS Regulations provides the specific requirements for a SGFI to qualify as a Non-Reporting FI, in particular the special requirements for an Exempt CIV as described in Section 6.11 below.

6.3 Non-Reporting SGFIs described in Paragraph B of Section VIII of the CRS are not required to undertake the CRS due diligence and reporting requirements, and register with IRAS, unless IRAS has specified otherwise.

### **6.4 Governmental Entities**

6.4.1 Governmental Entities include but are not limited to the following:

- the Government;
- every Organ of State;
- every Entity that is wholly owned (whether directly or indirectly) and wholly controlled by the Minister for Finance (in his corporate capacity), including GIC Private Limited, GIC (Realty) Pte. Ltd., GIC (Ventures) Pte. Ltd., and their wholly owned subsidiaries;

- every statutory body (i.e., any authority established by or under any public Act and whose income is exempt from tax by reason of section 13(1)(e) of the Income Tax Act, and includes a Town Council established under the Town Councils Act (Cap. 329A)); and
- every Entity that is wholly owned (whether directly or indirectly) and wholly controlled by a statutory body.

## **6.5 International Organisations**

6.5.1 The term “International Organisation” means any International Organisation or wholly owned agency or instrumentality thereof, such as the International Monetary Fund and the World Bank.

## **6.6 Central Bank**

6.6.1 In Singapore, this refers to the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act (Cap. 186).

## **6.7 Broad Participation Retirement Fund**

6.7.1 A “Broad Participation Retirement Fund” refers to a fund established in Singapore to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund:

- does not have a single beneficiary with a right to more than 5% of the fund’s assets;
- is regulated by the government and provides information reporting about its beneficiaries to IRAS; and
- satisfies at least one of the following requirements:
  - a. the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate in Singapore, due to its status as a retirement or pension plan;
  - b. the fund receives at least 50% of its total contributions (other than transfers of assets from other plans described as Broad Participation Retirement Funds, Narrow Participation Retirement Funds or Pension Funds of a Governmental Entity, International Organisation or Central Bank or Retirement and Pension Accounts described under Section 9.2 below) from the sponsoring employers;

- c. distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other funds described as Broad Participation Retirement Funds of a Governmental Entity, International Organisation or Central Bank or Retirement and Pension Accounts described under Section 9.2 below), or penalties apply to distributions or withdrawals made before such specified events; or
- d. contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed US\$50,000 annually, applying the rules set forth in Section 10.8.2 below for account aggregation and currency translation.

## **6.8 Narrow Participation Retirement Fund**

6.8.1 A “Narrow Participation Retirement Fund” refers to a fund established in Singapore to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that:

- the fund has fewer than 50 participants;
- the fund is sponsored by one or more employers that are not Investment Entities nor Passive NFEs;
- the employee and employer contributions to the fund (other than transfers of assets from Retirement and Pension Accounts described under Section 9.2 below) are limited by reference to earned income and compensation of the employee, respectively;
- participants that are not residents of Singapore are not entitled to more than 20% of the fund’s assets; and
- the fund is subject to government regulations and provides information reporting about its beneficiaries to IRAS.

## **6.9 Pension Fund of a Governmental Entity, International Organisation or Central Bank**

6.9.1 A fund established in Singapore by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees of the Governmental Entity, International Organisation or Central Bank (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank.

## **6.10 Qualified Credit Card Issuers**

6.10.1 A Qualified Credit Card Issuer is treated as a Non-Reporting SGFI if it meets the following requirements:

- it is a SGFI solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the credit card account and overpayment is not immediately returned to the customer; and
- it implements policies and procedures (beginning on or before 1 January 2017) either to prevent a customer from making an overpayment in excess of US\$50,000 or to ensure that any customer overpayment in excess of US\$50,000 is refunded to the customer within 60 days, in each case applying the rules set forth in Section 10.8.2 below for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but includes credit balances resulting from merchandise returns.

## **6.11 Exempt Collective Investment Vehicle (CIV)**

6.11.1 An Exempt CIV is an Investment Entity that is regulated as a CIV, provided that all of the interests in the CIV are held by or through individuals or Entities that are not Reportable Persons and / or Passive NFEs with Controlling Person(s) who are not Reportable Persons.

6.11.2 Pursuant to Regulation 10(2) of the CRS Regulations, an Exempt CIV must satisfy all of the following requirements:

- the Investment Entity is constituted in Singapore as a CIS:
  - a. that is authorised under section 286(1) of the Securities and Futures Act (Cap. 289); or
  - b. the units of which are or are to be the subject of an offer or intended offer to which Subdivisions (2) and (3) of Division 2 of Part XIII of that Act do not apply, or apply with modifications by reason of section 304 or 305 of that Act;
- all the interests in the Investment Entity are held by or through:
  - a. one or more individuals or Entities who are not Reportable Persons;
  - b. one or more Entities that are Passive NFEs and do not have any Controlling Person(s) who are Reportable Persons; or
  - c. a combination of individuals and Entities mentioned in (a) and (b) above.

6.11.3 An Investment Entity that is a CIV that has issued any physical shares in bearer form (referred to in this paragraph as 'bearer shares') qualifies as an Exempt CIV if, and only if:

- the bearer shares were issued before 1 January 2017; and
- the Investment Entity has in place policies and procedures to:
  - a. cancel any bearer shares upon surrender of such shares to the Investment Entity;
  - b. perform the due diligence procedures set out in Sections II to VII of the CRS with respect to any bearer shares when such shares are presented for redemption or other payments;
  - c. report to the Comptroller any information required to be reported by a Reporting SGFI under Regulation 16(1) of the CRS Regulations with respect to any bearer shares when such shares are presented for redemption or other payments; and
  - d. ensure that all bearer shares issued by it are redeemed or cancelled as soon as possible, and in any event prior to 1 January 2018.

6.12 For the purposes of the CRS Regulations, Temasek Holdings (Private) Limited and each special purpose vehicle wholly owned (whether directly or indirectly) by it are Non-Reporting SGFIs.

## **7 Non-Financial Entities (NFEs)**

7.1 A NFE refers to any Entity that is not a FI. There are two categories of NFEs:

- Active NFEs; and
- Passive NFEs.

7.2 A NFE, whether Active or Passive, has no reporting obligation to IRAS. However, the Entity is required to determine its classification and, when requested, to produce a self-certification for Reporting FIs to certify its classification (refer to Section 10.6 and 10.7 below on the due diligence requirements on Entity Accounts). A Passive NFE would also be required to identify its Controlling Person(s) and provide to its FI a self-certification relating to each Controlling Person's tax residence(s).

7.3 Reporting SGFIs must report Financial Accounts that are held by Passive NFEs with Controlling Person(s) that are Reportable Persons.

### **7.4 Passive NFEs**

7.4.1 A Passive NFE is any NFE that is:

- not an Active NFE; or
- a professionally managed (Type B) Investment Entity that is not a Participating Jurisdiction FI (i.e., an Investment Entity that is resident in a non-Participating Jurisdiction).

### **7.5 Active NFEs**

7.5.1 An Active NFE refers to any NFE that meets any of the following criteria:

- less than 50% of the NFE's gross income from the preceding calendar year or other appropriate reporting period (such as an Entity's financial reporting year) is Passive Income (refer to Section 7.6 below on "Passive Income") and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of Passive Income;
- the shares of the NFE are regularly traded on an established securities market or the NFE is a Related Entity of an Entity, the shares of which are regularly traded on an established securities market;
- the NFE is a Governmental Entity, an International Organisation, a Central Bank or an Entity wholly-owned by one or more of the foregoing;

- substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding shares of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a FI, except that an Entity shall not qualify for NFE status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interest in those companies as capital assets for investment purposes;
- the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a FI, provided that the NFE shall not qualify for this exemption after the date that is 24 months after the date of the initial incorporation/organisation of the NFE;
- the NFE was not a FI in the past five years; and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a FI;
- the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not FIs, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a FI; or
- the NFE meets all of the following requirements:
  - a. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
  - b. it is exempt from income tax in its jurisdiction of residence;
  - c. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
  - d. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and



- e. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.

7.5.2 Charities that are registered under the Charities Act (Cap. 37) and are not FIs (as discussed in Section 5 above) will be regarded as Active NFEs.

## **7.6 Passive Income**

7.6.1 Passive Income, for purposes of determining whether an Entity is an Active NFE rather than a Passive NFE, means the portion of gross income that consists of:

- dividends, including substitute dividend amounts;
- interest;
- income equivalent to interest, including substitute interest;
- rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by the employees of the NFE;
- annuities;
- the excess of gains over losses from the sale or exchange of Financial Assets that gives rise to the Passive Income described previously;
- the excess of gains over losses from transactions (including futures, forwards, options, and similar transactions) in any Financial Assets;
- the excess of foreign currency gains over foreign currency losses;
- net income from swaps; or
- amounts received under Cash Value Insurance Contracts.

7.6.2 The context in which the income described above is received is important. Where the income described above is received by a NFE and is accounted for, or is taxable as, income from trading activities, it should not be included in the NFE's gross income as Passive Income. For example, where a NFE regularly acts as a dealer in Financial Assets, any income from any transaction entered into, in the ordinary course of such dealer's business should not be included as Passive Income.

- 7.6.3 Assets need not produce income in the period under review, to be considered as held for the production of Passive Income. For example, cash should be viewed as producing or being held for the production of Passive Income (i.e., interest) even if it does not actually produce such income.

## **8 Financial Accounts**

### **8.1 Introduction**

8.1.1 A Financial Account is an account maintained by a Reporting SGFI that falls into one of five principal categories:

- Depository Accounts (refer to Section 8.2 below);
- Custodial Accounts (refer to Section 8.3 below);
- Equity and Debt Interests in a FI (refer to Section 8.4 below);
- Cash Value Insurance Contracts (refer to Section 8.5 below); and
- Annuity Contracts (refer to Section 8.6 below).

8.1.2 The term Financial Account does not include any account that is an Excluded Account, i.e., an account that has been excluded from the definition of Financial Account as described in subparagraph (C)(17) of Section VIII of the CRS, as modified by Regulation 11 of the CRS Regulations. Such Excluded Accounts are detailed in Section 9 below.

8.1.3 Reporting SGFIs must:

- review the accounts they maintain to determine if they fall into one of the five categories listed in Section 8.1.1 above;
- identify if the Account Holders of these Financial Accounts are either Reportable Persons or Passive NFEs with one or more Controlling Person(s) who are Reportable Persons by applying the CRS due diligence procedures; and
- on an annual basis, provide information to IRAS in relation to the Financial Accounts that are held by Reportable Persons or by Passive NFEs with one or more Controlling Person(s) who are Reportable Persons.

### **8.2 Depository Accounts**

8.2.1 A Depository Account includes any commercial, checking, savings, time or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a FI in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.

- 8.2.2 The account does not have to be an interest bearing account. A Depository Account will include any credit balance on a credit card (a credit balance does not include credit balances in relation to disputed charges, but includes a credit balance resulting from refund of purchases) issued by a credit card company engaged in banking or similar business. However, credit cards will not be considered to be Depository Accounts where the issuer meets the requirements to be deemed as a Qualified Credit Card Issuer (refer to Section 6.10 above).
- 8.2.3 A Reporting SGFI that does not satisfy the requirement to be a Qualified Credit Card Issuer, but accepts deposits when a customer makes a payment in excess of a balance due with respect to a credit card account or revolving credit facility does not need to report the account where the account qualifies as an Excluded Account that is detailed in Section 9.8 below.

### **8.3 Custodial Accounts**

- 8.3.1 A Custodial Account is an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets (refer to Section 5.3.5 above on Financial Assets) for the benefit of another person.
- 8.3.2 Where a FI is acting as an executing broker, and simply executing trading instructions, or receiving and transmitting such instructions to another executing broker (either through the SGX, a multilateral trading facility or equivalent of such, a clearing organisation or on a bilateral basis), it will not be required to treat the facility established for the purposes of executing a trading instruction, or receiving and transmitting such instructions, as a Financial Account. In these cases, the FI acting as custodian will be responsible for performing the due diligence procedures and reporting, where necessary.

### **8.4 An Equity or Debt Interest in a Financial Institution**

- 8.4.1 Any Debt or Equity Interest in an Investment Entity will constitute a Financial Account. However, Equity or Debt Interests in an Entity that is an Investment Entity solely because it is an investment advisor, or an investment manager, are not Financial Accounts. Thus, Equity or Debt Interests that would generally be considered Financial Accounts include Equity or Debt Interests in an Investment Entity (i) that is a professionally managed (Type B) Investment Entity, or (ii) that functions or holds itself out as a CIV, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buyout fund, or any similar investment vehicle established with an investment strategy of investing, reinvesting, or trading in Financial Assets.
- 8.4.2 An "Equity Interest" is defined in subparagraph (C)(4) of Section VIII of the CRS. In the case of a partnership that is a FI, the term Equity Interest means either a capital or profits interest in the partnership.

- 8.4.3 In the case of a trust that is a FI, an Equity Interest means an interest held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. The reference to any other natural person exercising ultimate effective control over the trust, at a minimum, will include the trustee as an Equity Interest Holder. Further, a discretionary beneficiary will only be treated as an Account Holder in the years in which it receives a distribution from the trust. If a settlor, beneficiary or other person exercising ultimate effective control over the trust is itself an Entity, that Entity must be looked through, and the ultimate natural Controlling Person(s) behind that Entity must be treated as the Equity Interest Holder. This look through obligation should correspond to the obligation to identify the beneficial owner of a trust under AML / KYC Procedures which are consistent with Recommendations 10 and 25 of the 2012 FATF Recommendations.
- 8.4.4 A “Debt Interest” refers to any interest created when a lender lends to a borrower, which can arise from arrangements such as simple loans, bond issues or note issues.
- 8.4.5 Debt or Equity Interests maintained by Depository Institutions, Custodial Institutions, Investment Entity (other than an investment advisor or an investment manager), and Specified Insurance Companies constitute Financial Accounts if the class of interests was established for the avoidance of reporting under CRS.

## **8.5 Cash Value Insurance Contracts**

- 8.5.1 A Cash Value Insurance Contract means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies and a Term Life) that has a cash value.
- 8.5.2 Cash Value
- The term “Cash Value” means the greater of:
    - a. the amount that the policyholder is entitled to receive upon surrender, termination, cancellation, or withdrawal (determined without reduction for any surrender charge or policy loan); or
    - b. the amount the policyholder can borrow under or with regard to the contract (e.g., by pledging as collateral).

- “Cash Value” does not include an amount payable under an Insurance Contract:
  - a. solely by reason of the death of an individual insured under a life insurance contract;
  - b. as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
  - c. as a refund to the policyholder of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;
  - d. as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are those described in subparagraph b above; or
  - e. as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

## **8.6 Annuity Contracts**

### **8.6.1 An Annuity Contract is a contract:**

- under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals; or
- that is considered to be an Annuity Contract in accordance with the law, regulation or practice of Singapore in which the contract was issued and under which the issuer agrees to make payments for a term of years.

## **9 Excluded Accounts**

9.1 Excluded Accounts are accounts that have been excluded from the definition of a Financial Account, and are described in subparagraph (C)(17) of Section VIII of the CRS, as modified by Regulation 11(2) of the CRS Regulations. These accounts are seen to present a low risk of being used for tax evasion. Refer to Sections 9.2 to 9.9 below for an overview of these accounts.

### **9.2 Retirement and Pension Accounts**

9.2.1 This type of accounts refers to a retirement or pension account maintained in Singapore that satisfies the following requirements under the laws of Singapore:

- the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);
- the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax in Singapore are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- annual information reporting is required to IRAS with respect to the account;
- withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and
- either (i) annual contributions are limited to US\$50,000 or less, or (ii) there is a maximum lifetime contribution limit to the account of US\$1,000,000 or less, in each case applying the rules set forth in paragraph C of Section VII of the CRS for account aggregation and currency translation (refer to Section 10.8.2 below for details on the rules).

### **9.3 Non-Retirement Savings Accounts**

9.3.1 This type of accounts refers to an account maintained in Singapore (other than an Insurance or Annuity Contract) that satisfies the following requirements under the laws of Singapore:

- the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;

- the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax in Singapore are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (e.g., the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and
- annual contributions are limited to US\$50,000 or less, applying the rules set forth in paragraph C of Section VII of the CRS for account aggregation and currency translation (refer to Section 10.8.2 below for details on the rules).

## **9.4 Other Excluded Accounts**

### **9.4.1 Excluded Accounts also include:**

- Edusave accounts and Post-Secondary Education (PSE) accounts;
- Child Development Accounts (CDAs);
- Central Provident Fund (CPF) Investment Accounts where the accounts are subject to regulation under the CPF Act (Cap 36), in accordance with CPF (Investment Schemes) Regulations and the CPF (Revised Retirement Schemes) Regulations; and
- Accounts in which moneys are deposited from maintenance funds (established by developers), management funds or sinking funds (established by management corporations or subsidiary management corporations) that are regulated under the Building Maintenance and Strata Management Act (Cap. 30C)

9.4.2 For the avoidance of doubt, Supplementary Retirement Scheme (SRS) accounts and SRS investment accounts are not Excluded Accounts.

## **9.5 Term Life Insurance Contracts**

9.5.1 This refers to a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:

- the periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;



- the contract has no contract value that any person can access (by withdrawal, loan or otherwise) without terminating the contract;
- the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and
- the contract is not held by a transferee for value.

## **9.6 Accounts of Deceased Persons / Estates**

9.6.1 An account that is held solely by an estate will not be a Financial Account where the Reporting SGFI that maintains the account has received and is in possession of a formal notification of the Account Holder's death (e.g., a copy of the deceased's death certificate) or a copy of the deceased's will.

## **9.7 Intermediary Accounts (Escrow Accounts)**

9.7.1 Accounts where money is held by a Reporting SGFI on behalf of transacting parties (i.e., escrow accounts) and established in connection with any of the following, will not be considered Financial Accounts:

- a court order, judgement or other legal matter on which the non-financial intermediary is acting on behalf of their underlying client;
- a sale, exchange, or lease of real or personal property, provided that the account satisfies all of the following requirements:
  - a. the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property;
  - b. the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;
  - c. the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates;

- d. the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and
  - e. the account is not associated with an account described in Section 9.8 below.
- an obligation of a Reporting SGFI servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time; or
  - any obligation of a Reporting SGFI solely to facilitate the payment of taxes at a later time.

## **9.8 Depository Accounts due to Not-returned Overpayments**

9.8.1 This type of accounts refers to a Depository Account that satisfies the following requirements:

- The account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and
- Beginning on or before 1 January 2017, the Reporting SGFI implements policies and procedures either to prevent a customer from making an overpayment in excess of US\$50,000, or to ensure that any customer overpayment in excess of US\$50,000 is refunded to the customer within 60 days, in each case applying the rules forth in paragraph C of Section VII of the CRS for currency translation (refer to Section 10.8.2 below for details on the rules). For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but includes credit balances resulting from merchandise returns.

## **9.9 Dormant Accounts with Balance or Value not Exceeding US\$1,000**

9.9.1 A Financial Account (other than an Annuity Contract) is a dormant account if it meets all of the following conditions:

- a. the Account Holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting SGFI in the previous three years;
- b. the Account Holder has not communicated with the Reporting SGFI with regard to that account or any other account held by the Account Holder in the previous six years; and
- c. where the account is a Cash Value Insurance Contract, the Reporting SGFI that maintains the account has not, in the previous six years,

communicated with the Account Holder regarding the account or any other account held by the Account Holder with the FI.

9.9.2 If the balance or value of a dormant account does not exceed US\$1,000, such a dormant account would qualify as an Excluded Account.

9.9.3 End of Dormancy

- An account will no longer be dormant if any one of the following conditions is met:
  - a. the Account Holder initiates a transaction with regard to the account or any other account held by the Account Holder with the Reporting SGFI;
  - b. the Account Holder communicates with the Reporting SGFI that maintains such account regarding the account or any other account held by the Account Holder with the Reporting SGFI; or
  - c. the account ceases to be a dormant account under applicable laws or regulations or the Reporting SGFI's normal operating procedures.
- Depending on when the "reactivated" account was first opened (New or Preexisting Account) and the Account Holder type (Individual or Entity), the Reporting SGFI can apply the applicable due diligence procedures under the CRS Regulations on the "reactivated" account to establish if it is a Reportable Account by the later of the last day of the calendar year or 90 calendar days following the date when the account is no longer dormant. However, if a Preexisting Account is "reactivated" before the due date (31 Dec 2017 for High Value Accounts; 31 Dec 2018 for Lower Value Accounts and Preexisting Entity Accounts) for the review of the account, the Reporting SGFI will have up to the later of the review due date that is applicable i.e., either 31 Dec 2017 or 31 Dec 2018, as the case may be, or 90 calendar days following the date when the account is no longer dormant to establish if the account is a Reportable Account.

## 10 Due Diligence Procedures under the CRS

### 10.1 General

- 10.1.1 Singapore’s CRS legislation requires and empowers all Reporting SGFIs to put in place the necessary procedures and systems to establish the tax residence(s) of all their Account Holders, instead of only for Account Holders that are tax residents of jurisdictions with which Singapore has a CAA to exchange Financial Account information. Reporting SGFIs will apply the “Wider Approach” when conducting CRS due diligence so that they would not need to repeatedly review the same accounts to re-establish whether the Financial Accounts they maintain are Reportable Accounts each time Singapore enters into a new exchange relationship with a jurisdiction.
- 10.1.2 A Reporting SGFI must maintain arrangements to establish the tax residencies of: (i) the Account Holder of each Financial Account; and (ii) where the Account Holder is a Passive NFE, each Controlling Person of the Passive NFE.
- 10.1.3 In addition, a Reporting SGFI must maintain arrangements to identify whether a Financial Account is a Reportable Account.
- 10.1.4 When Account Holders or Controlling Persons of Passive NFEs declare that they are Singapore tax residents on their self-certifications, Reporting SGFIs are to obtain the Singapore tax reference number of their Account Holders or Controlling Persons to substantiate the claim that they are Singapore tax residents.
- 10.1.5 The table below provides an overview of the classification of accounts for CRS purposes and the corresponding sections in this e-Tax Guide that describe the applicable due diligence procedures:

Relevant Dates	Classification	Due Diligence Procedures	
		Individual	Entity
Accounts maintained by Reporting SGFI as of 31 December 2016	Preexisting Accounts	Section 10.4	Section 10.6
Accounts opened on or after 1 January 2017	New Accounts	Section 10.5	Section 10.7

- 10.1.6 A Reporting SGFI may apply the due diligence procedures for New Accounts to Preexisting Accounts and apply the due diligence procedures for High Value Accounts to Lower Value Accounts.
- 10.1.7 In addition, a Reporting SGFI may treat New Accounts as Preexisting Accounts when certain conditions are met, as provided in Regulation 15(13) of the CRS Regulations. A Preexisting Account is hence:
- a. a Financial Account maintained by the Reporting SGFI as of 31 December 2016; or
  - b. any other Financial Account maintained by the Reporting SGFI on or after 1 January 2017 if all of the following conditions are satisfied:
    - i. as of 31 December 2016, the Account Holder of the Financial Account has a Financial Account with the Reporting SGFI or a local Entity that is related to the institution;
    - ii. the Reporting SGFI treats one or more of the Financial Accounts mentioned in sub-paragraph (a), of the Account Holder, and all other Financial Accounts of the Account Holder that are treated as Pre-existing Accounts under sub-paragraph (b) that are maintained by:
      - (A) the institution; and
      - (B) all local Entities that are related to the institution (if any),as a single Financial Account for the purpose of determining whether an amount of any matter mentioned in a prescribed provision in respect of such single Financial Account, exceeds the maximum amount specified for that matter in that provision;
    - iii. the Reporting SGFI does not know and does not have any reason to know that any self-certification or Documentary Evidence of the Financial Account or any of the Financial Accounts treated as a single Financial Account under subparagraph (ii) is incorrect or unreliable;
    - iv. where the Reporting SGFI is required by any written law to perform AML / KYC Procedures on the Financial Account, the institution has performed the AML / KYC Procedures on the Financial Account; and
    - v. the Reporting SGFI does not require the provision of any new, additional or amended information by the Account Holder for the opening of the Financial Account, other than for the purposes of facilitating the institution's compliance with its CRS due diligence and reporting obligations.

10.1.8 In accordance with Regulation 14(5) of the CRS Regulations, the Reporting SGFI must, in relation to any Financial Account, ensure that all of the evidence, record or information obtained as part of its CRS due diligence procedures for a Financial Account, and a record of the due diligence steps taken be kept for the specified period below:

- in the case of any evidence, record or information that identifies the Account Holder of the Financial Account, or is a document establishing a business relation with the Account Holder, or is correspondence with the Account Holder — five years after the closing of the Financial Account or the end of the business relation (as the case may be);
- in the case of any evidence, record or information relating to any transaction — five years after 31 December of the calendar year in which the Reporting SGFI is required to provide any information relating to the transaction to IRAS; and
- in the case of any record of the steps taken in accordance with Sections 10.1.2 and 10.1.3 above — five years after 31 December of the calendar year in which the Reporting SGFI is required to provide any information relating to the Financial Account to IRAS.

## 10.2 Reportable Accounts

10.2.1 A Financial Account is a Reportable Account if it is maintained by a Reporting SGFI and held by:

- one or more Reportable Person(s); or
- any Passive NFE with one or more Controlling Person(s) who are Reportable Persons.

10.2.2 The term “Reportable Person” means a Reportable Jurisdiction Person other than: (i) a corporation, the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a Related Entity of a corporation described in (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a FI.

10.2.3 A “Reportable Jurisdiction Person” means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent who was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, LLP, or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.

10.2.4 CRS due diligence and reporting obligations must be performed by the Reporting SGFI, or by a third party service provider on behalf of the Reporting SGFI, in order to identify and report on the Reportable Accounts maintained by the Reporting SGFI. The Reporting SGFI remains responsible for the due diligence and reporting obligations that the third party service provider carries out on behalf of the Reporting SGFI.

### **10.3 Identifying the Account Holder of a Financial Account**

10.3.1 A Reporting SGFI will need to identify the Account Holder in order to apply the CRS due diligence procedures to ascertain whether the Financial Account is a Reportable Account.

10.3.2 An Account Holder is a person listed or identified by the Reporting SGFI as the holder or owner of the account with the Reporting SGFI that maintains the account.

10.3.3 If the account is held by a person (X) that is not a FI, for the benefit of another person (Y) as an agent, custodian, nominee, signatory, investment advisor, or intermediary, the other person (Y) on whose behalf the account is held, is the Account Holder.

10.3.4 Under the CRS, an account is held by a person that is either an Individual or an Entity.

10.3.5 An Individual Account is an account held by a natural person. For purposes of the CRS, this includes a sole-proprietorship account where the sole-proprietorship is owned by an individual.

10.3.6 An Entity Account is one that is held by a legal person or a legal arrangement. Hence, accounts held by companies, associations, joint ventures, partnerships and trusts are regarded as Entity Accounts.

#### **10.3.7 Jointly held accounts**

- Where a Financial Account is jointly held, each Joint Account Holder is treated as an Account Holder for the purposes of determining whether the account is a Reportable Account.
- If a Financial Account is jointly held by an individual and an Entity, the Reporting SGFI must apply the due diligence requirements in respect of the individual and the Entity separately.
- When more than one Reportable Person is a Joint Account Holder, each Reportable Person will be treated as an Account Holder and will be attributed the entire balance of the jointly held account, including for purposes of reporting and applying the aggregation rules set forth in Section 10.8.2 below.

### 10.3.8 Account Holder for Cash Value Insurance Contracts and Annuity Contracts

- A Cash Value Insurance Contract or Annuity Contract is held by each person that is entitled to access the Cash Value (e.g., through a loan, withdrawal, surrender, or otherwise) or to change a beneficiary under the contract. Where no person can access the Cash Value or change a beneficiary, the Account Holder is:
  - a. any person named as the owner in the contract; and
  - b. any person with a vested entitlement to payment under the terms of the contract.
- Upon the maturity of a Cash Value Insurance Contract or Annuity Contract (i.e., when an obligation to pay an amount under the contract becomes fixed), each person that is entitled to receive a payment under the contract is treated as an Account Holder.

## 10.4 Due Diligence for Preexisting Individual Accounts

10.4.1 The following rules and procedures apply for purposes of identifying Reportable Accounts among Preexisting Accounts held by individuals (“Preexisting Individual Accounts”).

10.4.2 Paragraph A of Section III of the CRS exempts from review all Preexisting Individual Accounts that are Cash Value Insurance Contracts and Annuity Contracts, provided that the Reporting FI is prevented by law from selling such contracts to residents of a Reportable Jurisdiction. Since Singapore law contains no such restrictions, this exemption does not apply in Singapore.

10.4.3 Separate due diligence procedures and standards apply for Preexisting Individual Accounts that are Lower Value Accounts and for those that are High Value Accounts.

### 10.4.4 Lower Value Accounts

- a. Lower Value Accounts refer to Preexisting Individual Accounts with a balance or value that does not exceed US\$1,000,000 as of 31 December 2016.
- b. A Reporting SGFI may apply the due diligence procedures set out in either the “residence address test”, or the electronic record search to identify Reportable Accounts in respect of Lower Value Accounts.



c. Residence address test

i. If the Reporting SGFI has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting SGFI may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person.

ii. To rely on the residence address test, the following conditions (refer to paragraphs 8 to 13 of the Commentary on Section III of the CRS for details) must be met:

- the Reporting SGFI must have in its records a residence address for the individual Account Holder;

- An “in-care-of” address or a post office address is not a residence address, unless it clearly identifies the actual residence of the Account Holder.

- the address must be current; and

- A residence address is considered to be “current” where it is the most recent residence address that was recorded by the Reporting SGFI with respect to the individual Account Holder. A residence address is not considered to be “current” if it has been used for mailing purpose and mail has been returned undelivered. However, a residence address associated with a dormant account (refer to Section 9.9.1 above on what constitutes a dormant account under the CRS) would be considered “current” during the dormancy period.

- such residence address must be based on Documentary Evidence.

- This requirement is satisfied if the Reporting SGFI has policies and procedures in place to ensure that the current residence address in its records is the same address (or in the same jurisdiction) as that on the Documentary Evidence. Refer to Section 10.8.3 below on Documentary Evidence.

- This requirement is also met if the Reporting SGFI’s policies and procedures ensure that where it has government-issued Documentary Evidence that does not contain a recent residence address or does not contain an address at all, the current residence address in the Reporting SGFI’s records is the same address, or in the same jurisdiction, as that on recent documentation issued by an authorised government body or a utility company.

- Acceptable documentation issued by an authorised government body includes, for example, formal notifications or assessments by a tax administration. Acceptable documentation issued by utility companies relates to supplies linked to a particular property and includes a bill for water, electricity, telephone (landline only), gas or oil. In such circumstances, the standards of knowledge applicable to Documentary Evidence would also apply to the documentation relied upon by the Reporting SGFI. Refer to Section 10.5.12 below on standards of knowledge.
  - iii. Reporting SGFIs can apply the residence address test to all Lower Value Accounts or, separately, to any clearly identified group of such accounts.
  - iv. If the Reporting SGFI has relied on the residence address test and there is a change in circumstances that causes the Reporting SGFI to know or have reason to know that the original Documentary Evidence or other documentation is incorrect or unreliable, the Reporting SGFI must, by the later of the last day of the relevant calendar year, or 90 days following the notice or discovery of such change in circumstances, obtain a self-certification and new Documentary Evidence to establish the tax residence of the Account Holder. If the Reporting SGFI cannot obtain the self-certification and new Documentary Evidence by such date, the Reporting SGFI must apply the electronic record search procedures described in Section 10.4.4.d below. Refer to paragraph 13 of the Commentary on Section III for examples that illustrate the procedures to be followed in case of a change in circumstances.
- d. Electronic record search
  - i. If the Reporting SGFI does not rely on a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting SGFI must review electronically searchable data maintained by the Reporting SGFI for any of the following indicia:
    - a) Identification of the Account Holder as a resident of a jurisdiction outside Singapore (i.e., a Foreign Jurisdiction);
    - b) Current mailing or residence address (including a post office box) in a Foreign Jurisdiction;
    - c) One or more telephone numbers in a Foreign Jurisdiction and no telephone number in Singapore;

- d) Standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Foreign Jurisdiction;
  - e) Currently effective power of attorney or signatory authority granted to a person with an address in a Foreign Jurisdiction; or
  - f) a “hold mail” instruction or “in-care-of” address in a Foreign Jurisdiction if the Reporting SGFI does not have any other address on file for the Account Holder.
- ii. If none of the indicia listed above is discovered in the electronic record search, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account, or the account becomes a High Value Account described in Section 10.4.5 below.
  - iii. If any of indicia listed in subparagraph (i)(a) to (i)(e) above is discovered in the electronic record search, or if there is a change in circumstances that results in one or more indicia being associated with the account, then the Reporting SGFI must treat the Account Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified, unless it elects to apply one of the exceptions to reporting described in Section 10.4.4.e below with respect to that account.
  - iv. If a “hold mail” instruction or “in-care-of” address is discovered in the electronic record search and no other address and none of the other indicia listed in subparagraph (i)(a) to (i)(e) above is identified for the Account Holder, the Reporting SGFI must, in the order most appropriate to the circumstances, apply the paper record search described in Section 10.4.5.d below, or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper record search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting SGFI must report the account as an undocumented account.
- e. Curing procedure (for a finding of indicia under Section 10.4.4.d.i above)
    - i. Notwithstanding a finding of indicia under Section 10.4.4.d.i above, a Reporting SGFI is not required to treat an Account Holder as a resident of a Foreign Jurisdiction if:
      - The Account Holder information contains a current mailing or residence address in the Foreign Jurisdiction, one or more telephone numbers in the Foreign Jurisdiction (and no telephone numbers in Singapore), or standing instructions (with respect to

Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in the Foreign Jurisdiction, and the Reporting SGFI obtains, or has previously reviewed and maintains a record of:

- a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Foreign Jurisdiction; and
  - Documentary Evidence, as elaborated in Section 10.8.3 below, establishing the Account Holder's residence for tax purposes other than such Foreign Jurisdiction.
- The Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in a Foreign Jurisdiction, and the Reporting SGFI obtains, or has previously reviewed and maintains a record of:
    - a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Foreign Jurisdiction; or
    - Documentary Evidence, as elaborated in Section 10.8.3 below, establishing the Account Holder's residence for tax purposes other than such Foreign Jurisdiction.
- f. The self-certification that is part of the curing procedure does not need to contain an express confirmation that an Account Holder is not resident in a given Foreign Jurisdiction, provided the Account Holder confirms that it contains all its jurisdictions of residence (i.e., the information with respect to the Account Holder's jurisdiction(s) of residence is correct and complete). Documentary Evidence is sufficient to establish that an Account Holder is not resident in the relevant Foreign Jurisdiction if the Documentary Evidence:
- i. confirms that the Account Holder is resident in a jurisdiction other than the relevant Foreign Jurisdiction;
  - ii. contains a current residence address outside the relevant Foreign Jurisdiction; or
  - iii. is issued by an authorised government body of a jurisdiction other than the relevant Foreign Jurisdiction.
- g. Additional procedures applicable to Lower Value Accounts
- i. The review of Preexisting Individual Accounts that are Lower Value Accounts for identifying Reportable Accounts must be completed by 31 December 2018.

- ii. If there is a change in circumstances with respect to a Lower Value Account that results in one or more indicia described in Section 10.4.4.d.i above being associated with the account, then the Reporting SGFI must treat the Account Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified, unless it elects to apply the curing procedure described in Section 10.4.4.e above and one of the exceptions described in that section applies with respect to that account.
- iii. Any Preexisting Individual Account that has been identified as a Reportable Account pursuant to the due diligence procedures described in this section shall be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Reportable Person.

#### 10.4.5 High Value Accounts

- a. High Value Accounts refer to Preexisting Individual Accounts with an aggregate balance or value that exceeds US\$1,000,000 as of 31 December 2016 or 31 December of any subsequent year.
- b. A Reporting SGFI must apply the enhanced review due diligence procedures set out in this section to identify Reportable Accounts in respect of High Value Accounts.
- c. Electronic record search
  - i. With respect to High Value Accounts, the Reporting SGFI must review electronically searchable data maintained by the Reporting SGFI for any of the indicia described in Section 10.4.4.d.i above.
- d. Paper record search
  - i. If the Reporting SGFI's electronically searchable databases include fields for, and capture all of the information described in subparagraph ii below, then no further paper record search is required. If the electronic databases do not include fields for and capture all of the information, then with respect to a High Value Account, the Reporting SGFI must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting SGFI within the last five years for any of the indicia described in Section 10.4.4.d.i above:
    - the most recent Documentary Evidence collected with respect to the account;
    - the most recent account opening contract or documentation;

- the most recent documentation obtained by the Reporting SGFI pursuant to AML / KYC Procedures or for other regulatory purposes;
  - any power of attorney or signature authority forms currently in effect; and
  - any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.
- ii. A Reporting SGFI is not required to perform the paper record search described in Section 10.4.5.d.i above if the Reporting SGFI's electronically searchable information includes the following:
- the Account Holder's residence status;
  - the Account Holder's residence address and mailing address currently on file with the Reporting SGFI;
  - the Account Holder's telephone number(s) currently on file, if any, with the Reporting SGFI;
  - in the case of Financial Accounts other than Depository Accounts, whether there are any standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting SGFI or another FI);
  - whether there is a current "in-care-of" address or "hold mail" instruction for the Account Holder; and
  - whether there is any power of attorney or signatory authority for the account.
- e. Relationship Manager inquiry for actual knowledge
- i. In addition to the electronic and paper record searches described above, the Reporting SGFI must treat as a Reportable Account any High Value Account assigned to a Relationship Manager (including any Financial Accounts aggregated with such High Value Account) if the Relationship Manager has actual knowledge that the Account Holder is a Reportable Person.

- ii. A Relationship Manager is an officer or other employee of a Reporting SGFI who: (i) is assigned responsibility for specific Account Holders on an on-going basis (including as an officer or employee that is a member of a Reporting SGFI's private banking department); (ii) advises Account Holders regarding their banking, investment, trust, fiduciary, estate planning, or philanthropic needs; and (iii) recommends, makes referrals to, or arranges for the provision of financial products, services, or other assistance by internal or external providers to meet those needs. Relationship management must be more than ancillary or incidental to the job function of a person for the person to be considered a Relationship Manager. A person is not considered a Relationship Manager unless that person is ultimately charged with managing the Account Holder's affairs at the Reporting SGFI.
  - iii. The Relationship Manager also has an important role in identifying any change in circumstances in relation to a High Value Account. A Reporting SGFI must ensure that it has procedures in place to capture changes that are made known to the Relationship Manager in respect of the Account Holder's Reportable status.
  - iv. An employee of the Reporting SGFI is only a Relationship Manager for purposes of this section with respect to an account that has an aggregate balance or value of more than US\$1,000,000, taking into account the account aggregation and currency translation rules set forth in Section 10.8.2 below. Thus, in determining whether an employee of the Reporting SGFI is a Relationship Manager, i.e., the employee must satisfy the definition of Relationship Manager (as explained in subparagraph ii. above), and the aggregate balance or value of the Account Holder's accounts must exceed US\$1,000,000.
- f. Effect of finding indicia
- i. If none of the indicia listed in Section 10.4.4.d.i above is discovered in the enhanced review of High Value Accounts and the account is not identified as held by a person that is resident for tax purposes in a Foreign Jurisdiction by the Relationship Manager, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account.
  - ii. If any of the indicia listed in subparagraph (i)(a) to (i)(e) of Section 10.4.4.d. above is discovered in the enhanced review of High Value Accounts described above, or if there is a subsequent change in circumstances that results in one or more indicia being associated with the account, then the Reporting SGFI must treat the Account Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified, unless it elects to apply the curing procedure described in Section 10.4.4.e. above and one of the exceptions described in that section applies with respect to that account.



- iii. If a “hold mail” or “in-care-of” address is discovered in the enhanced review of High Value Accounts, and no other address and none of the other indicia listed in subparagraph (i)(a) to (i)(e) in Section 10.4.4.d.above (except for the last indicia in subparagraph (i)(f) in Section 10.4.4.d above) is identified for the Account Holder, the Reporting SGFI must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder. If the Reporting SGFI cannot obtain such self-certification or Documentary Evidence, it must report the account as an undocumented account.
- g. Additional procedures applicable to High Value Accounts
- i. If a Preexisting Individual Account is a High Value Account as of 31 December 2016, the Reporting SGFI must complete the enhanced review procedures (which includes the electronic record search, paper record search and Relationship Manager inquiry for actual knowledge) described above with respect to such account by 31 December 2017.
  - ii. If a Preexisting Individual Account is not a High Value Account as of 31 December 2016, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting SGFI must complete the enhanced review procedures described above within the calendar year following the year in which the account becomes a High Value Account.
  - iii. If based on the review such account is identified as a Reportable Account, the Reporting SGFI must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on annual basis, unless the Account Holder ceases to be a Reportable Person.
  - iv. Once a Reporting SGFI applies the enhanced review procedures described in this Section to a High Value Account, the Reporting SGFI is not required to re-apply such procedures, other than the Relationship Manager inquiry for actual knowledge described in Section 10.4.5.e above to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting SGFI should re-apply them annually until such account ceases to be undocumented.



- h. Change in circumstances
  - i. If there is a change in circumstances with respect to a High Value Account that results in one or more indicia listed in Section 10.4.4.d.i above being associated with the account, then the Reporting SGFI must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified, unless it elects to apply the curing procedure described in Section 10.4.4.e above and one of the exceptions described in that section applies with respect to that account.
  - ii. A Reporting SGFI must implement procedures to ensure that a Relationship Manager identifies any change in circumstances of an account. For example, if a Relationship Manager is notified that the Account Holder has a new mailing address in a Foreign Jurisdiction, the Reporting SGFI is required to treat the new address as a change in circumstances and, if it elects to apply the curing procedure described in Section 10.4.4.e above, the Reporting SGFI is required to obtain the appropriate documentation from the Account Holder.
  - iii. A change in circumstances includes any change that results in the addition of information relevant to a person's status or otherwise conflicts with such person's status. In addition, a change in circumstances includes any change to, or addition of, information to the Account Holder's account and includes any addition, substitution, or other change of an Account Holder, as well as any change to, or addition of, information to any accounts associated with such account (applying the account aggregation rules set forth in Section 10.8.2 below) if such change or addition of information affects the status of the Account Holder.

## **10.5 New Individual Accounts**

- 10.5.1 The following rules and procedures apply for purposes of identifying Reportable Accounts among Financial Accounts held by individuals, which are opened on or after 1 January 2017 ("New Individual Accounts") and that are not treated as Preexisting Accounts (refer to Section 10.1.7.b above).
- 10.5.2 With respect to New Individual Accounts, the Reporting SGFI must, before or as soon as is practicable after opening a new account, obtain a valid self-certification that allows the Reporting SGFI to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting SGFI in connection with the opening of the account, including any documentation collected pursuant to AML / KYC Procedures.

- 10.5.3 A self-certification may be provided in any manner or in any form, provided that it contains all the required information (see the following paragraph) and the self-certification is signed or positively affirmed by the Account Holder or a person with authority to sign for the Account Holder. The approach taken by Reporting SGFI in obtaining the self-certification is expected to be in a manner consistent with the procedures followed by the Reporting SGFI for the opening of the account.
- 10.5.4 A “valid self-certification” is one that is signed or otherwise positively affirmed by the Account Holder or a person with authority to sign for the Account Holder. It states the date when the self-certification is signed or otherwise positively affirmed; and it contains the following particulars of the individual Account Holder:
- Name;
  - Residential address;
  - Date of birth;
  - All the individual’s residences for tax purposes; and
  - If applicable, the individual’s TIN with respect to each of the residences for tax purposes (refer to Section 12.3.2 below for situations where the TIN is not required to be reported).
- 10.5.5 If the Reporting SGFI is unable to obtain a valid self-certification, the Reporting SGFI cannot open the account. In cases where due to the specificities of a transaction or business sector, it is not possible to obtain a valid self-certification on ‘day one’ of the account opening process, the Reporting SGFI can have more time (but not more than 90 days after the date of opening of the account) to obtain the valid self-certification. Examples of such situations that fall within the scope of Regulation 14(7) and (9) of the CRS Regulations, include:
- where an insurance contract has been assigned from one person to another; or
  - where an investor acquires shares in an investment trust from the secondary market.
- 10.5.6 Under Regulation 14(8) of the CRS Regulations, a Reporting SGFI’s failure to obtain a valid self-certification in a timely manner is an offence under Section 105M(1B) of the Income Tax Act.

- 10.5.7 Once the Reporting SGFI has obtained a valid self-certification, it must confirm the reasonableness of the self-certification, based on the information obtained in connection with the opening of the account, including any documentation obtained pursuant to AML / KYC Procedures. A Reporting SGFI is considered to have confirmed the reasonableness of a self-certification if, in the course of account opening procedures and upon review of the information obtained in connection with the opening of the account (including any documentation collected pursuant to AML / KYC Procedures), it does not know or have reason to know that the self-certification is incorrect or unreliable.
- 10.5.8 If the self-certification fails the reasonableness test, the Reporting SGFI is expected to either obtain: (i) a new and valid self-certification; or (ii) a reasonable explanation and documentation, as appropriate, supporting the reasonableness of the self-certification within the next 90 days. If the Reporting SGFI is unable to obtain a new and valid self-certification or a reasonable explanation and documentation from the Account Holder during the 90-day period, the Reporting SGFI is not required to close the account, but must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and any other jurisdiction(s) in which the Reporting SGFI has indications that the Account Holder is resident in. In addition, the Reporting SGFI is expected to continue to use reasonable efforts to obtain the required information from the Account Holder. Such efforts must be made at least once a year until: (i) a new and valid self-certification; or (ii) a reasonable explanation and documentation are obtained.
- 10.5.9 If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the Reporting SGFI must treat the account as a Reportable Account.
- 10.5.10 A self-certification remains valid until there is a change in circumstances that causes the Reporting SGFI to know, or have reason to know, that the original self-certification is incorrect or unreliable. The Reporting SGFI cannot rely on the original self-certification and must obtain either a valid self-certification that establishes the Account Holder's residence(s) for tax purposes, or a reasonable explanation and documentation (as appropriate) supporting the validity of the original self-certification (and retain a copy or a notation of such explanation and documentation). In addition, a Reporting SGFI is expected to notify any person providing a self-certification of the person's obligation to notify the Reporting SGFI of a change in circumstances.
- 10.5.11 If the Reporting SGFI cannot obtain confirmation of the validity of the original self-certification or a valid self-certification by the later of the last day of the calendar year or 90 calendar days from the date that the self-certification becomes invalid due to the change in circumstances, the Reporting SGFI must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and the jurisdiction in which the Account Holder may be resident as a result of the change in circumstances.

#### 10.5.12 Standards of knowledge applicable to self-certifications and Documentary Evidence

- a. A Reporting SGFI has reason to know that a self-certification provided is unreliable or incorrect if:
  - i. the self-certification is incomplete with respect to any item on the self-certification that is relevant to the claims made by the person;
  - ii. the self-certification contains any information that is inconsistent with the person's claim; or
  - iii. the Reporting SGFI has other account information that is inconsistent with the person's claim.
- b. Under the circumstances set out in subparagraph a. above, a Reporting SGFI cannot rely on the original self-certification and must obtain either a new and valid self-certification that establishes the residence(s) for tax purposes of the Account Holder, or a reasonable explanation and documentation (as appropriate) that explain the discrepancy identified by the Reporting SGFI.
- c. A Reporting SGFI does not know or have reason to know that a self-certification or Documentary Evidence is unreliable or incorrect solely because of a change of address in the same jurisdiction as that of the previous address. In addition, a Reporting SGFI does not know or have reason to know that a self-certification or Documentary Evidence is unreliable or incorrect solely because it discovers any of the indicia listed in subparagraph (c) to (e) in Section 10.4.4.d.i above and such indicia conflicts with the self-certification or Documentary Evidence.

### 10.6 Preexisting Entity Accounts

- 10.6.1 The following rules and procedures apply for purposes of identifying Reportable Accounts among Preexisting Accounts held by Entities ("Preexisting Entity Accounts").
- 10.6.2 A Preexisting Entity Account with an aggregate account balance or value that does not exceed US\$250,000 as of 31 December 2016, is not required to be reviewed, identified, or reported as a Reportable Account until the aggregate account balance or value exceeds US\$250,000 as of the last day of any subsequent calendar year. This is applicable unless a Reporting SGFI elects otherwise, either with respect to all Preexisting Entity Accounts or, separately, with respect to any clearly identified group of such accounts.

- 10.6.3 A Preexisting Entity Account that has an aggregate account balance or value that exceeds US\$250,000 as of 31 December 2016, and a Preexisting Entity Account that does not exceed US\$250,000 as of 31 December 2016 but the account balance or value of which exceeds US\$250,000 as of the last day of 2017 or any subsequent calendar year, must be reviewed in accordance with the procedures set forth in Section 10.6.4 below.
- 10.6.4 Review procedures for identifying Preexisting Entity Accounts with respect to which reporting may be required
- a. For Preexisting Entity Accounts described in Section 10.6.3 above, the Reporting SGFI must apply the review procedures described in this section to determine whether the account is held by one or more Entities that are Reportable Persons, and whether the account is held by one or more Entities that are Passive NFEs with one or more Controlling Persons who are Reportable Persons.
  - b. Determining the tax residence(s) of the Entity Account Holder:
    - i. A Reporting SGFI must review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML / KYC Procedures) to determine whether the information indicates the Account Holder's residence for tax purposes. For this purpose, information indicating the Account Holder's tax residence includes:
      - a place of incorporation or organisation;
      - an address (e.g., this would likely be applicable for Entities treated as fiscally transparent and could reflect the registered address, principal office, or place of effective management); or
      - an address of one or more of the trustees of a trust.
    - ii. If the information indicates that the Account Holder is a Reportable Person, the Reporting SGFI must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession (information previously recorded in the files of the Reporting SGFI) or that is publicly available, that the Account Holder is not a Reportable Person (refer to Section 10.2.2 above for the categories of persons that are not Reportable Persons).

- iii. “Publicly available” information will include the following:
  - information published by an authorised government body of a jurisdiction, such as information in a list published by a tax administration that contains the names and identifying numbers of FIs (e.g., the FATCA Foreign Financial Institution list);
  - information in a publicly accessible register maintained or authorised by an authorised government body of a jurisdiction;
  - information disclosed on an established securities market; and
  - any publicly accessible classification with respect to the Account Holder that was determined based on a standardised industry coding system and that was assigned by a trade organisation or a chamber of commerce, consistent with normal business practices.
- iv. In determining whether a Preexisting Entity Account is held by one or more Entities that are Reportable Persons, the Reporting SGFI may follow the guidance in subparagraphs (i) and (ii) in the order most appropriate under the circumstances. Consequently, a Reporting SGFI may first determine under subparagraph (ii) whether the Preexisting Entity Account is held by an Entity that is not a Reportable Person (e.g., a Governmental Entity), and thus, the account is not a Reportable Account.
- c. Determining the tax residence(s) of the Controlling Person(s) of a Passive NFE:
  - i. With respect to an Account Holder of a Preexisting Entity Account (including an Entity that is a Reportable Person), the Reporting SGFI must identify whether the Account Holder is a Passive NFE with one or more Controlling Persons and determine the tax residence(s) of such Controlling Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account is treated as a Reportable Account.
  - ii. In making these determinations the Reporting SGFI must follow the guidance below in the order most appropriate under the circumstances:
    - For purposes of determining whether the Account Holder is a Passive NFE, the Reporting SGFI must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a FI (other than a professionally managed (Type B) Investment Entity that is not a Participating Jurisdiction FI).

- For purposes of determining the Controlling Persons of an Account Holder, a Reporting SGFI may rely on information collected and maintained pursuant to AML / KYC Procedures.
- For purposes of determining the residence of a Controlling Person of a Passive NFE, a Reporting SGFI may rely on:
  - Information collected and maintained pursuant to AML / KYC Procedures in the case of a Preexisting Entity Account held by one or more Passive NFEs with an aggregate account balance or value that does not exceed US\$1,000,000; or
  - A self-certification from the Account Holder or such Controlling Person(s) in the case of a Preexisting Entity Account held by one or more Passive NFEs with an account balance or value that exceeds US\$1,000,000. If a self-certification is required to be collected and is not obtained with respect to a Controlling Person of a Passive NFE, the Reporting SGFI must rely on the indicia described in Section 10.4.4.d.i that it has in its records for such Controlling Person to establish the residence(s) of the Controlling Person. If the Reporting FI has none of such indicia in its records, then no further action would be required until there is a change in circumstances that results in one or more indicia with respect to the Controlling Person being associated with the account.
- d. For the avoidance of doubt, a Reporting SGFI that cannot determine the status of the Entity Account Holder as an Active NFE or a FI (other than a professionally managed (Type B) Investment Entity that is not a Participating Jurisdiction FI) must presume it is a Passive NFE.

#### 10.6.5 Timing of review and additional procedures applicable to Preexisting Entity Accounts

- a. Review of Preexisting Entity Accounts with an aggregate account balance or value that exceeds US\$250,000 as of 31 December 2016 must be completed by 31 December 2018.
- b. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed US\$250,000 as of 31 December 2016, but exceeds US\$250,000 as of 31 December of 2017 or any subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds US\$250,000.



- c. If there is a change in circumstances with respect to a Preexisting Entity Account that causes the Reporting SGFI to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting SGFI must re-determine the status of the account in accordance with the procedures set forth in Section 10.6.4 above. In such a case, a Reporting SGFI must apply the following procedures by the later of the last of the calendar year or 90 calendar days following the discovery of the change in circumstances:
  - i. With respect to the determination of the Account Holder's residence(s) for tax purposes, a Reporting SGFI must obtain either; (i) a self-certification; or (ii) a reasonable explanation and documentation (as appropriate) supporting the reasonableness of the original self-certification or documentation (and retain a copy or a notation of such explanation and documentation). If the Reporting SGFI fails to either obtain a self-certification or confirm the reasonableness of the original self-certification or documentation, it must treat the Account Holder as a tax resident with respect to the jurisdiction(s) that are indicated on the original self-certification and in which the Account Holder may be tax resident as a result of the change in circumstances.
  - ii. With respect to the determination whether the Account Holder is a FI, Active NFE or Passive NFE, a Reporting SGFI must obtain additional documentation or a self-certification (as appropriate) to establish the status of the Account Holder as an Active NFE or FI. If the Reporting SGFI fails to do so, it must treat the Account Holder as a Passive NFE.
  - iii. With respect to the determination of the Controlling Person of a Passive NFE's residence(s) for tax purposes, a Reporting SGFI must obtain either: (i) a self-certification; or (ii) a reasonable explanation and documentation (as appropriate) supporting the reasonableness of a previously collected self-certification or documentation (and retain a copy or a notation of such explanation and documentation). If the Reporting SGFI fails to either obtain a self-certification or confirm the reasonableness of the previously collected self-certification or documentation, it must rely on the indicia described in Section 10.4.4.d.i it has in its records for such Controlling Person to determine the residence(s) of the Controlling Person.

## **10.7 New Entity Accounts**

10.7.1 The rules and procedures set out in this section apply for purposes of identifying Reportable Accounts among Financial Accounts held by Entities and opened on or after 1 January 2017 ("New Entity Accounts").

10.7.2 A Reporting SGFI must, before or as soon as is practicable after opening for a New Account, take all reasonable efforts to determine whether: (i) the Entity Account Holder is a Reportable Person; and (ii) the Controlling Person of an Account Holder that is a Passive NFE, is a Reportable Person.



### 10.7.3 Review procedures for New Entity Accounts

- a. Determine the tax residence of the Entity:
  - i. A Reporting SGFI must, before or as soon as practicable after opening an account, obtain a valid self-certification, which may be part of the account opening documentation, that allows the Reporting SGFI to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting SGFI in connection with the opening of the account, including any documentation collected pursuant to AML / KYC Procedures. If the Entity certifies that it has no residence for tax purposes, the Reporting SGFI may rely on the address of the principal office of the Entity to determine the tax residence of the Account Holder.
  - ii. If the self-certification indicates that the Account Holder is tax resident in a Reportable Jurisdiction, the Reporting SGFI must treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction (e.g., a corporation that is publicly traded).
  - iii. In determining whether a New Entity Account is held by one or more Entities that are Reportable Persons, the Reporting SGFI may follow the guidance on (i) and (ii) above in the order most appropriate under the circumstances. That would allow a Reporting SGFI, for example, to determine under (ii) that a New Entity Account is held by an Entity that is not a Reportable Person (e.g., a corporation that is publicly traded) and thus, the account is not a Reportable Account.
- b. Determine the tax residence of the Controlling Persons of a Passive NFE:
  - i. With respect to an Account Holder of a New Entity Account (including an Entity that is a Reportable Person), the Reporting SGFI must identify whether the Account Holder is a Passive NFE with one or more Controlling Persons and determine the tax residence of such Controlling Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account.
  - ii. In making these determinations the Reporting SGFI must follow the guidance in the order most appropriate under the circumstances below:
    - For purposes of determining whether the Account Holder is a Passive NFE, the Reporting SGFI must obtain a valid self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available,

based on which it can reasonably determine that the Account Holder is an Active NFE or a FI (other than a professionally managed (Type B) Investment Entity that is not a Participating Jurisdiction FI). A Reporting SGFI that cannot determine the status of the Account Holder as an Active NFE or a FI (other than a managed (Type B) Investment Entity that is not a Participating Jurisdiction FI) must presume that it is a Passive NFE.

- For purposes of determining the Controlling Persons of an Account Holder that is a Passive NFE, a Reporting SGFI may rely on information collected and maintained pursuant to AML / KYC Procedures that must be consistent with Recommendations 10 and 25 of the FATF Recommendations (as adopted in February 2012), including always treating the settlor(s) of a trust as a Controlling Person of the trust.
  - For purposes of determining the tax residence of a Controlling Person of a Passive NFE, a Reporting SGFI may only rely on a valid self - certification from either the Account Holder or such Controlling Person.
- c. A “valid self-certification” is one that is signed or otherwise positively affirmed by the person making the self-certification or a person with authority to sign for that first-mentioned person. It contains the date when the self-certification is signed or otherwise positively affirmed; and has the following particulars:
- i. If the Account Holder is an Entity that is a Passive NFE:
    - The NFE’s name
    - The NFE’s registered or business address
    - All of the NFE’s residences for tax purposes
    - If applicable, the NFE’s TIN with respect to each of the residences for tax purposes
    - The name, date of birth and residential address of each Controlling Person
    - The residences for tax purposes and, if applicable, the corresponding TIN with respect to each of the residences for tax purposes of each Controlling Person

- ii. If the Account Holder is an Entity that is not a Passive NFE:
  - The Entity's name
  - The Entity's registered or business address
  - All of the Entity's residences for tax purposes
  - If applicable, the Entity's TIN with respect to each of the residences for tax purposes
  - Whether the Entity is a FI or a NFE, and a description of the type of FI or NFE.
- iii. If the Controlling Person of a Passive NFE is making the self-certification:
  - The Controlling Person's name
  - The Controlling Person's residential address
  - The Controlling Person's date of birth
  - All of the Controlling Person's residences for tax purposes
  - If applicable, the Controlling Person's TIN with respect to each of the residences for tax purposes
- iv. In general, the person with authority to sign on behalf of an Entity will include the following:
  - A director of a company; or
  - A partner of a partnership; or
  - A trustee of a trust; or
  - For other types of Entity, any person holding an equivalent title to any of the above; and
  - Any other person with written authorisation from the Entity to sign documentation on behalf of the Entity.

- d. Where there is a change in circumstances with respect to a New Entity Account that causes the Reporting SGFI to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting SGFI must re-determine the status of the account in accordance with the procedures as set out in Section 10.6.5.c above.

## **10.8 Special Rules and Definitions**

### 10.8.1 Reliance on Self-certifications and Documentary Evidence

- a. A Reporting SGFI may not rely on a self-certification or Documentary Evidence if the Reporting SGFI knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.
- b. A Reporting SGFI has reason to know that a self-certification or Documentary Evidence is unreliable or incorrect if its knowledge of relevant facts or statements contained in the self-certification or other documentation, including the knowledge of the relevant Relationship Managers, if any, is such that a reasonably prudent person in the position of the Reporting SGFI would question the claim being made. A Reporting SGFI also has reason to know that a self-certification or Documentary Evidence is unreliable or incorrect if there is information in the documentation or in the Reporting SGFI's account files that conflicts with the person's claim regarding its status.

### 10.8.2 Account Aggregation and Currency Translation Rules

- a. Aggregation of Individual Accounts
  - i. For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting SGFI is required to aggregate all Financial Accounts maintained by the Reporting SGFI, or by a Related Entity, but only to the extent that the Reporting SGFI's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this section.

- b. Aggregation of Entity Accounts
  - i. For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, a Reporting SGFI is required to take into account all Financial Accounts that are maintained by the Reporting SGFI, or by a Related Entity, but only to the extent that the Reporting SGFI's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this section.
- c. Special Aggregation Rule applicable to Relationship Managers
  - i. For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether a Financial Account is a High Value Account, a Reporting SGFI is also required, in the case of any Financial Accounts that a Relationship Manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.
- d. Currency Translation Rule (Amounts read to include equivalent in other currencies)
  - i. Where accounts are denominated in a currency other than the US dollar, the US dollar threshold amounts described in the CRS must be converted to the currency that the accounts are denominated in, using a published spot rate determined as at the last day of the calendar year preceding the year in which the determination is done. The method of conversion must be applied consistently.
  - ii. Example: A Reporting SGFI maintains a Preexisting Individual Account with an account balance of Singapore Dollar (SGD) 1,200,000 as at 31 December 2016. To determine if the account is a Preexisting High Value Account, the Reporting SGFI should convert the US dollar threshold amount of \$1,000,000 to SGD using the published spot rate determined as at the last day of the calendar year preceding the year in which the threshold is being applied (i.e., 31 December 2015).

### 10.8.3 Documentary Evidence

- a. For the purpose of the due diligence procedures described in Section 10, acceptable Documentary Evidence includes any of the following:
  - i. A certificate of residence issued by an authorised government body (e.g., a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident.
  - ii. With respect to an individual, any valid identification issued by an authorised government body (e.g., a government or agency thereof, or a municipality) that includes the individual's name and is typically used for identification purposes.
  - iii. With respect to an Entity, any documentation issued by a public agency or authorised government body that includes the name of the Entity, and either the address of its principal office in the jurisdiction in which it claims to be resident in or the jurisdiction in which the Entity was organised or created.
  - iv. Any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.
- b. While a Reporting SGFI may rely on Documentary Evidence unless it knows or has reason to know that it is incorrect or unreliable, it is expected to give preference to a piece of Documentary Evidence that is more recent, or more specific, over another piece of Documentary Evidence.
- c. Documentary Evidence that contains an expiration date may be treated as valid on the later of that expiration date, or the last day of the fifth calendar year following the year in which the Documentary Evidence is provided to the Reporting SGFI. However, the following Documentary Evidence is considered to remain valid indefinitely:
  - i. Documentary Evidence furnished by an authorised government body (such as a passport);
  - ii. Documentary Evidence that is not generally renewed or amended (such as a certificate of incorporation); or
  - iii. Documentary Evidence provided by a Non-Reporting FI or a Reportable Jurisdiction Person that is not a Reportable Person.
- d. All other Documentary Evidence is valid until the last day of the fifth calendar year following the year in which the Documentary Evidence is provided to the Reporting SGFI.

10.8.4 Alternative Procedures for Financial Accounts held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract

- a. A Reporting SGFI may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract or an Annuity Contract receiving a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting SGFI has actual knowledge, or reason to know, that the beneficiary is a Reportable Person. A Reporting SGFI has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected by the Reporting SGFI and associated with the beneficiary contains indicia as described in Section 10.4.4.d.i above. If a Reporting SGFI has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting SGFI must follow the procedures in Section 10.4 above.

10.8.5 Reliance on Third Parties

- a. A Reporting SGFI may appoint a third party service provider or agent to carry out its CRS obligations. Under Regulation 17(2) of the CRS Regulations, the agent so appointed must, upon the Reporting SGFI's request, provide the Reporting SGFI with all records, Documentary Evidence and information that are in the agent's possession or under the agent's control that the agent uses to carry out the Reporting SGFI's CRS obligations; and all records, documents and information that the agent obtains in the course of carrying out the Reporting SGFI's CRS obligations.
- b. When a Reporting SGFI relies on an agent to carry out its CRS obligations, the agent must meet the due diligence requirements as set out in this Section 10. These due diligence obligations remain the responsibility of the Reporting SGFI and any due diligence failures will be the responsibility of the Reporting SGFI.

## 11 Registration

11.1 Under Regulation 13(1) of the CRS Regulations, an Entity that becomes a Reporting SGFI at any time during the calendar year must register with IRAS by 31 March of the following year. For example, an Entity that became a Reporting SGFI between 1 January 2017 and 31 December 2017 must register with IRAS by 31 March 2018. However, a Reporting SGFI is not required to register with IRAS if:

11.1.1 It is an Investment Entity; and it only carries out one or both of the following activities as an Investment Entity:

- rendering investment advice to a customer, and acting on behalf of that customer for the purpose of investing, managing or administering Financial Assets deposited in the name of that customer with another FI; and/or
- managing portfolios for a customer, and acting on behalf of that customer for the purpose of investing, managing or administering Financial Assets deposited in the name of that customer with another FI.

11.1.2 It is an Entity, other than a trust, that is resident in Singapore and one or more Participating Jurisdictions, provided that the following conditions are met:

- the Reporting SGFI does not maintain any Financial Accounts in Singapore or it does not have a branch located in Singapore; and
- CRS reporting and due diligence are carried out in the other Participating Jurisdiction(s) where the Financial Accounts are maintained or the branch is located.

11.1.3 It is a trust that is resident for CRS purposes in Singapore and one or more Participating Jurisdictions, provided the following conditions are met:

- all the information required to be reported in relation to Reportable Accounts of the trust is reported in the other Participating Jurisdiction(s) because the trust is treated as resident for tax purposes there; and
- each trustee, including the Singapore resident trustee, must be able to demonstrate that all necessary reporting in the other Participating Jurisdiction by the trust is actually taking place.

11.2 A trust, which qualifies as a Non-Reporting FI because the trustee of the trust is a Reporting SGFI and the trustee undertakes the CRS due diligence and reporting obligations of the trust (i.e., a “trustee-documented trust”), will not need to register with IRAS as a Reporting SGFI. However, in order for the trustee to report on the trust’s behalf, the trustee will have to provide the name and tax reference number of the trust to IRAS after the trustee has registered with IRAS as a Reporting SGFI.



- 11.3 As part of the registration application, a Reporting SGFI will need to provide IRAS with particulars of an individual who is authorised to be the Reporting SGFI's point of contact (POC) on CRS matters. Where a fund manager is responsible for fulfilling the CRS obligations of a CIS or a fund that is a Reporting SGFI, the details of an authorised individual of the fund manager can be provided as the POC of the CIS or fund.
- 11.4 A Reporting SGFI must notify IRAS as soon as practicable of any change in the particulars of the SGFI and its POC after its registration with IRAS.
- 11.5 Under Regulation 13(6) of the CRS Regulations, a Reporting SGFI's failure to apply for CRS Registration by the 31 March of the calendar year following the year in which it becomes a Reporting SGFI is an offence under Section 105M(1) of the Income Tax Act.
- 11.6 IRAS has developed an IT System for Reporting SGFIs to register and file their CRS returns with IRAS. The [Apply for CRS Registration](#) e-Service was rolled out on 31 August 2017. Refer to the IRAS CRS webpage for more details on CRS Registration.

## **12 Reporting**

### **12.1 Reportable Accounts**

12.1.1 An account is treated as a Reportable Account beginning as of the date it is identified as such pursuant to the CRS due diligence procedures set out in Section 10 above that the Reporting SGFI is required to apply. Generally, information must be reported annually to IRAS on that account in the calendar year following the year to which the reportable information relates.

12.1.2 Once a Reporting SGFI has applied the CRS due diligence procedures in respect of the Financial Accounts it holds and has identified the Reportable Accounts, it must report certain information regarding those accounts to IRAS in accordance with the timelines in Section 12.6 below.

12.1.3 Under the CRS Regulations, a Reportable Account will also include an undocumented account which refers to a pre-existing account where:

- a. the Account Holder is an individual;
- b. the Reporting SGFI that maintains the account does not have any indicia other than a “hold mail” or “in-care-of” address (in subparagraph (i)(f) in Section 10.4.4.d above); and
- c. the Reporting SGFI is unable to obtain any Documentary Evidence, or valid self-certification from the Account Holder to establish the Account Holder’s residence for tax purposes.

12.1.4 Every Reporting SGFI, other than one that is listed in Section 11.2 above, that maintains Financial Accounts that are not Reportable Accounts is required to file a nil return with IRAS for the relevant Reporting Year.

### **12.2 Information to be Reported with respect to each Reportable Account**

12.2.1 The information to be reported with respect to each Reportable Account in relation to: (i) each Reportable Person that is the Account Holder; and (ii) each Passive NFE that is the Account Holder and is identified as having one or more Controlling Persons that is a Reportable Person is:

- A. name;
- B. address;
- C. date of birth (for individuals);
- D. jurisdiction(s) of residence;

- E. if applicable, the TIN associated with each jurisdiction(s) of residence that is provided in (D) (refer to Section 12.3.2 below for situations where the TIN is not required to be reported);
- F. the account number or the functional equivalent of an account number;
- G. the name and identifying number (i.e., Singapore Tax Reference Number) of the Reporting SGFI; and
- H. the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the cash value or surrender value) as of the end of the calendar year or other appropriate reporting period or if the account was closed during the year or period, the closure of the account.

12.2.2 In addition to elements (A) to (H) listed above, the following payment information (which must be reported in the currency in which the account is denominated) in relation to the calendar year or other appropriate reporting period must be reported:

- a. In the case of any Custodial Account:
  - i. the total gross amount of interest paid or credited to the account (or with respect to the account);
  - ii. the total gross amount of dividends paid or credited to the account (or with respect to the account);
  - iii. the total gross amount of other income generated with respect to the assets held in the account paid or credited to the account (or with respect to the account); and
  - iv. the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account with respect to which the Reporting SGFI acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder (for Reporting Year 2018 onwards).
- b. In the case of any Depository Account:
  - i. the total gross amount of interest paid or credited to the account.
- c. In the case of any account other than a Custodial Account or a Depository Account, the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period, with respect to which the Reporting SGFI is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder.

## 12.3 Explanation of Information Required

### 12.3.1 Address

- a. The address to be reported with respect to an account held by a Reportable Person is the address recorded by the Reporting SGFI for the Account Holder pursuant to the CRS due diligence procedures detailed in Section 10 above. In the case of an account held by an individual that is a Reportable Person, the address to be reported is the current residential address of the individual; or if no residential address is associated with the Account Holder, the address for the account used for mailing purpose by the Reporting SGFI.
- b. In the case of an account held by an Entity, that address to be reported is the address of the Entity that is registered with any public agency (“registered address”) or the one at which the Entity is carrying on its business (“business address”).
- c. In the case of an account held by a Passive NFE that is identified as having one or more Controlling Persons who are Reportable Persons, the address to be reported for the NFE is the registered or business address of the Entity, and the address to be reported for each Controlling Person of the Entity is the Controlling Person’s residential address.

### 12.3.2 Taxpayer Identification Numbers (TINs)

- a. This refers to a unique identifier assigned to the Account Holder by a tax administration in the Account Holder’s jurisdiction of tax residence.
- b. The TIN is not required to be reported if: (i) a TIN is not issued by the relevant Reportable Jurisdiction; or (ii) the domestic law of the Reportable Jurisdiction does not require the collection of the TIN issued by such jurisdiction.
- c. Where a Reporting SGFI does not have the TIN or date of birth for a Preexisting Account in its records, the Reporting SGFI is required to use reasonable efforts to obtain the TIN and date of birth with respect to Preexisting Accounts by the end of the second calendar year following the year in which such accounts were identified as Reportable Accounts, unless: (i) one of the exceptions in subparagraph b above applies with respect to the TIN and it is not required to be reported; or (ii) the Reporting SGFI has obtained reasonable explanation and, where applicable, documentation from the Account Holder or Controlling Person on why the TIN is not available.

“Reasonable efforts” means genuine attempts to acquire the TIN and date of birth of the Account Holder of a Reportable Account. Such efforts must be made, at least once a year, during the period between the identification of the Preexisting Account as a Reportable Account and the end of the second calendar year following the year of that identification and should continue to be made after the second calendar year if the TIN and date of birth are not acquired by then. Examples of reasonable efforts include contacting the Account Holder (e.g., by mail, in-person or by phone), including a request made as part of other documentation or electronically (e.g., by facsimile or by e-mail); and reviewing electronically searchable information maintained by a Related Entity of the Reporting SGFI, in accordance with the aggregation rules set forth in Section 10.8.2 above. Reasonable efforts do not necessarily require closing, blocking, or transferring the account, nor conditioning or otherwise limiting its use, but such measures can be taken to urge Account Holders, especially those that did not respond the Reporting SGFI’s initial request, to provide the TIN and date of birth information to the Reporting SGFI.

- d. For New Accounts, a TIN is required to be reported unless: (i) one of the exceptions in subparagraph b applies with respect to the TIN and it is not required to be reported; or (ii) the Reporting SGFI has obtained reasonable explanation and, where applicable, documentation from the Account Holder or Controlling Person on why the TIN is not available.
- e. Information with respect to the issuance, structure, use and validity of TINs issued by CRS Participating Jurisdictions are available at the OECD [Automatic Exchange Portal](#). Although Reporting SGFIs do not need to confirm the format and other specifications of a TIN with the information provided on the Portal, Reporting SGFIs are encouraged to do so in order to enhance the quality of information collected and reduce the effort associated with any follow up concerning the reporting of an incorrect TIN.
- f. For reporting to IRAS, where a Reporting SGFI is not able to provide the TIN used by the residence jurisdiction, a reason (in the form of a reason code) may be provided in lieu of the TIN. Refer to the IRAS CRS Return XML Schema User Guide that is published on the IRAS’ CRS webpage for more information.

### 12.3.3 Account Number

- a. This is the unique identifying number or code that is sufficient for a Reporting SGFI to identify the Reportable Account held by the named Account Holder. A contract or policy number would generally be considered functional equivalents of an account number.

#### 12.3.4 Account Balance or Value

- a. The Reporting SGFI must report the balance or value of the account as of the end of the calendar year or other appropriate reporting period. In the case of an account that is a Cash Value Insurance Contract or Annuity Contract, the Reporting SGFI must report the cash value or surrender value of the account.
- b. General
  - i. An account with a balance or value that is negative must be reported as having an account balance or value equal to zero.
  - ii. The account balance or value of an account must be reported in the currency in which the account is denominated and the information reported must identify the currency in which each amount is denominated. In the case of an account denominated in more than one currency, the Reporting SGFI may elect to report the information in a currency in which the account is denominated and is required to identify the currency in which the account is reported.
- c. Valuation
  - i. In arriving at the balance or value the Reporting SGFI will use the valuation methods that it applies in the normal course of its business. Any valuation method adopted must be consistent and verifiable.
  - ii. Where it is not possible to, or not usual to value an account at 31 December, a Reporting SGFI should use the normal valuation point for the account that is nearest to 31 December.
  - iii. Where the 31 December falls on a weekend or non-working day, the date to be used is the last working day before that 31 December.
  - iv. The balance or value of the account is not to be reduced by any liabilities or obligations incurred by an Account Holder with respect to the account or any of the assets held in the account.
- d. Joint Accounts
  - i. Where a Financial Account is jointly held, the balance or value to be reported in respect of each joint Account Holder who is a Reportable Person is the entire balance or value of the account.
- e. Account Closures
  - i. Where an account was closed during the year, the account balance or value to be reported is zero and the Reporting SGFI must indicate that the account was closed in its CRS return.

- ii. Account closure will also include situations such as when there is a full surrender of an insurance contract with Cash Value during the year, and when a joint Account Holder is removed the joint account.
- f. Dormant Accounts
- i. An account can be indicated as Dormant if it meets all of the following conditions:
    - the Account Holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting SGFI in the previous three years;
    - the Account Holder has not communicated with the Reporting SGFI with regard to that account or any other account held by the Account Holder in the previous six years; and
    - Where the account is a Cash Value Insurance Contract, the Reporting SGFI that maintains the account has not, in the previous six years, communicated with the Account Holder regarding the account or any other account held by the Account Holder with the FI.

#### 12.3.5 Gross Proceeds from Sale or Redemption of Financial Assets

- a. In the case of a Custodial Account, information to be reported includes the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting SGFI acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder. The term “sale or redemption” means any sale or redemption of Financial Assets, determined without regard to whether the owner of such Financial Assets is subject to tax with respect to such sale or redemption.
- b. The total gross proceeds from a sale or redemption means the total amount realised as a result of a sale or redemption of Financial Assets. In the case of a sale effected by a broker, the total gross proceeds from a sale or redemption means the total amount paid or credited to the account of the person entitled to the payment increased by any amount not so paid by reason of the repayment of margin loans; the broker may (but is not required to) take commissions with respect to the sale into account in determining the total gross proceeds. In the case of a sale of an interest bearing debt obligation, gross proceeds include any interest accrued between interest payment dates.

### 12.3.6 Gross Amounts Paid or Credited

- a. The information to be reported, in the case of any account other than a Custodial Account or a Depository Account, includes the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting SGFI is a creditor or debtor. Such “gross amount” includes, for example, the aggregate amount of:
  - i. any redemption payments made (in whole or part) to the Account Holder during the calendar year or other appropriate reporting period; and
  - ii. any payments made to the Account Holder under a Cash Value Insurance Contract or an Annuity Contract during the calendar year or other appropriate reporting period, even if such payments are not considered Cash Value in accordance with Section 8.5.2 above.

## 12.4 Trusts that are Reporting SGFIs

- 12.4.1 A trust that is a Reporting SGFI will report the account information and the financial activity for the year in respect of each Reportable Account. The account information includes the identifying information for each Reportable Person (such as name, address, jurisdiction of tax residence, TIN, date of birth and Account Number), and the identifying information of the trust (name and identifying number of the trust). It is possible that a trust that is a Reporting SGFI may not have an account number for each of the Equity Interest holders. The trust should in that case use a unique identifying number that will enable the trust to identify the subject of the CRS report in the future.
- 12.4.2 The financial activity in respect of each Reportable Account includes the account balance or value, as well as gross payments paid or credited during the year. The account balance is the value calculated by the Reporting SGFI (the trust) for the purpose that requires the most frequent determination of value. For settlors and mandatory beneficiaries, for example, this may be the value that is used for reporting to the Account Holder on the investment results for a given period. If the Reporting SGFI has not otherwise recalculated the balance or value for other reasons, the account balance for settlors and mandatory beneficiaries may be the value of the interest upon acquisition or the total value of all trust property.
- 12.4.3 Where an account is closed during the year, the fact of closure and any distributions made prior to closure are required to be reported. An Equity Interest in a trust could be considered to be closed, for example, where a beneficiary is definitively removed.



12.4.4 The financial information to be reported will depend on the nature of the interest held by each Account Holder. Where the trust does not otherwise calculate the account value held by each Account Holder, or does not report the acquisition value, the account balance or value to be reported is as shown in the table below. Note that where a settlor or beneficiary is an Entity, the Account Holder will be the Controlling Persons of that Entity.

<b>Account Holder</b>	<b>Account Balance or Value</b>	<b>Gross Payments</b>
Settlor	Total value of all trust property	The total gross amount paid or credited to the settlor in the reporting period (if any)
Beneficiary: mandatory	Total value of all trust property	The total gross amount paid or credited to the beneficiary in the reporting period
Beneficiary: discretionary (in a year in which a distribution is received)	Nil	The total gross amount paid or credited to the beneficiary in the reporting period
Any other person exercising ultimate effective control	Total value of all trust property	The total gross amount paid or credited to such person in the reporting period (if any)
Debt interest holder	Principal amount of the debt	The total gross amount paid or credited to the Account Holder in the reporting period (if any)

If any of the above account was closed	The fact of the closure	The total gross amount paid or credited until the date of account closure to any of the above mentioned Account Holder(s)
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## 12.5 Trusts that are Passive NFEs

- 12.5.1 Where a trust that is a Passive NFE is a Reportable Person, the Reporting SGFI will report the account information and financial activity for the year with respect to the account of the trust. The account information includes the identifying information of the trust (such as the name of the trust, address, jurisdiction of tax residence, TIN and account number). In addition, the Reporting SGFI must report the identifying information (such as the name, address, jurisdiction of tax residence, TIN and date of birth) of the Controlling Persons of the trust that are Reportable Persons. Where the Reporting SGFI has information available that identifies the type of each Controlling Person (i.e., whether the person is the settlor, trustee, protector or beneficiary), this information is also expected to be reported, where the Controlling Person is a Reportable Person.
- 12.5.2 The financial information to be reported will be the account balance or value of the account held by the trust and payments made or credited to the account.
- 12.5.3 Where the Financial Account held by the trust is closed during the year, the fact of closure (rather than the financial activity) and the gross payments made or credited until the date of account closure are required to be reported.
- 12.5.4 A Reporting SGFI need not report any information about a beneficiary of a discretionary trust that is a Controlling Person of the trust for that calendar year if:
- a. the trust is a Passive NFE; and
  - b. the institution knows that the beneficiary did not receive any distribution from the trust in that calendar year.

## 12.6 Timelines for Reporting to IRAS

- 12.6.1 Unless advised otherwise by IRAS, all information for the relevant Reporting Year is to be submitted to IRAS by 31 May of the year following the end of the calendar during which the Reportable Account was maintained. For example, a Reporting SGFI will submit information in relation to a Reportable Account for Reporting Year 2017 to IRAS by 31 May 2018.

## **12.7 Format for Reporting to IRAS**

- 12.7.1 The format for reporting to IRAS is the prevailing CRS XML Schema (“XML Schema”) as published on the IRAS CRS webpage. Returns providing information on Reportable Accounts will have to be prepared in accordance to the published XML Schema and the IRAS CRS Return XML Schema User Guide. Reporting SGFIs can consolidate and report all Reportable Accounts in one return, and need not submit separate returns for each Reportable Jurisdiction. Reporting SGFIs should seek the services of an IT professional or vendor to assist them in capturing and preparing the data in accordance to the XML Schema if they do not have the relevant expertise to do so.
- 12.7.2 Reporting SGFIs can submit their CRS returns using fillable PDF forms, if they do not wish to acquire a reporting tool to generate the CRS return in XML format. The fillable PDF form is available on the IRAS CRS webpage.

## **12.8 Submission of Return**

- 12.8.1 IRAS has developed an IT System for Reporting SGFIs to submit their CRS returns to IRAS. Refer to the IRAS CRS webpage for further details on return submission.
- 12.8.2 A Reporting SGFI that is in the process of liquidating or has ceased to meet the definition of a Reporting SGFI because it has ceased certain activities should file a final CRS return to report any Reportable Accounts in the year of liquidation or cessation of activities that qualify the entity as a SGFI or file a nil return if it does not maintain any Reportable Accounts. The Reporting SGFI can submit the return via the Submit CRS Return AEOI e-Service at myTax Portal in the year (which is known as the Advance Reporting Year) it is liquidating or has ceased relevant activities. Such a Reporting SGFI does not need to wait until the following year to file its final return. The Reporting SGFI can then proceed to apply to deregister for CRS after it has submitted its final return.

### **13 Contact Information**

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

**14 Updates and Amendments**

	Date of amendment	Amendments made
1	1 December 2021	<ul style="list-style-type: none"><li>• Amended paragraph 9.4.1 to expand the list of excluded accounts to include accounts in which moneys are deposited from maintenance funds, management funds and sinking funds regulated under the Building Maintenance and Strata Management Act (Cap. 30C).</li><li>• Amended paragraph 10.5.6 to update the legislative reference based on the Income Tax Act (Cap. 134).</li><li>• Updated the contact information in paragraph 13</li><li>• Minor editorial changes in paragraph 3 (Glossary)</li></ul>