



Common reporting standards (CRS)

www.keypoint.com

Keypoint is one of the GCC's most comprehensive professional business advisory services providers. Our services – including statutory and corporate advisory, accounting solutions, investment administration services, tax advisory, human capital solutions, IT consulting, management consulting, financial regulatory compliance advisory and trust services – are valued by a wide range of clients, from large corporations and financial services and insurance institutions to family-managed conglomerates and single owner companies.

Common reporting standards

Our risk, compliance and governance services ensures that our clients remain aware of their responsibilities towards compliance with regulatory requirements and governance best practices.

What is CRS?

- Common Reporting Standard ("CRS") is a commonly used term for Standard for Automatic Exchange of Financial Account Information ("AEFAOI") in Tax Matters
- Published by Organisation for Economic Co-operation & Development ("OECD")
- Supported by G20 countries
- Based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters which provides a legal framework for its implementation globally
- Main objective of CRS is to improve tax transparency through information sharing about financial assets of tax residents of a country in other jurisdictions participating in the CRS program

Reportable jurisdictions

Reporting jurisdictions represent countries that have signed the OECD agreement to share the information.

- 55 Jurisdictions to initiate customer identification in 2016 and report under CRS from 2017 (early adopters).
- 50 Jurisdictions to initiate customer identification in 2017 and report under CRS from 2018.

Other countries are increasingly signing the agreement and participating in sharing of tax resident information.

All jurisdictions that are a part of the agreement need to appoint a competent authority to support the implementation of CRS in their jurisdictions.

CRS – timeline

Effective starting 1 January 2016 for early adopters.

Annual reporting requirements exist, starting 2017 for early adopters, and 2018 for others.

Impacted entities

CRS impacts all reportable financial institutions.

Reportable Financial Institutions:

- Depository institutions
- Custodial institutions
- Investment entities
- Specified insurance companies

Non reporting financial institutions

- Governmental entities & their pension funds
- International organisations
- Central Banks
- Certain retirement funds
- Qualified credit card issuers
- Exempt Collective Investment Vehicles
- Trustee documented trusts
- Other low-risk financial institutions

Reportable information

Information about reportable persons (individuals and Passive NFEs with non resident status):

- Name, address, jurisdiction of residence, Tax Identification Number (TIN), date of birth, place of birth
- The account/customer number
- The account balance or value of the account
- Name & identification number of reporting financial institution
- Gross amount of interest, dividend or other income and the gross proceeds from the sale or redemption of property paid or credited to the custodial account.
- Total amount of gross interest paid or credited to the depository account during the calendar year
- The total gross amount paid or credited to the account including the aggregate amount of redemption payments.

Typical implementation cycle

Implementing CRS at an institution is a complicated and time consuming process requiring a robust and effective management. The key stages in the implementation cycle include:

- Applicability assessment
- Impact assessment
- Existing customer analysis
- KYC policies & procedures updates
- IT systems updates
- User training
- Reporting cycle management

Our services

Our experienced consultants work seamlessly with our client teams to deliver timely and effective services around:

1. CRS impact assessment
2. CRS program implementation management:
 - Review onboarding process
 - Review system changes to onboarding process
 - Review existing CRS indicia customers
 - Prepare policies & procedures
 - Reporting & registration
 - Training

Credentials

We have a team consisting of experts in CRS who have worked with institutions across the Middle East, Europe, India, Singapore, Caribbean and the US. Some of our key credentials include:

- CRS impact assessment studies for 22 financial institutions in Bahrain and the Middle East
- CRS implementation support for over 12 institutions in Bahrain
- Conducted a comprehensive trainings in CRS for a number of banks and insurance companies
- Published a comprehensive guide on how to comply with CRS



Our clients trust us to get the job done

Our people

Our risk, compliance and governance team comprises of experienced professionals who hold the most pertinent international qualifications and have provided advise to leading organizations across MENA. Where necessary, the team draws skills from other service lines at Keypoint to provide an enhanced deep dive view of the issues and recommended solutions.

Our team consists of resources holding qualifications like Chartered Accountancy, Certified Financial Analysts, ACAMS, Certified Fraud Analysts, CISA, etc. The team is also supported by a network of partner organisations with specialisation in Banking, Compliance, AML/KYC, Business Intelligence, Program Management, Training, etc.

Contact us

If you have any enquiries about our IT Consulting Services, please contact us and we will be pleased to answer any queries and discuss your business needs.



Srikant Ranganathan
Director
IT Consulting
srikant.ranganathan@keypoint.com
T +973 3969 1942



Mukund Ballal
Advisor
mukund.ballal@keypoint.com
T +973 1720 6813



Chahira Miled
Senior Manager
chahira.miled@keypoint.com
T +973 1720 6870

Your success is our business



24th Floor I NBB Tower
PO Box 11718
Manama
Kingdom of Bahrain

T +973 1720 6888
F +973 1720 0026

www.keypoint.com

© all rights reserved 2018