The Common Reporting Standard ("CRS") and Your Business

The OECD's Common Reporting Standard ("CRS") represents a massive expansion of the automatic exchange of information on financial accounts across the globe.

- To date, over 100 jurisdictions have either signed up to the CRS or publically announced their intention to implement the CRS.
- The CRS involves reporting on a much larger scale than FATCA, its US counterpart, as it involves reporting on Account Holders that are tax resident in all jurisdictions which have signed up to the CRS.
- The OECD does not currently have a centralised CRS registration requirement for Financial Institutions ("FIs"), although local jurisdictions may require local registration.
- In parallel with the CRS, the EU Commission introduced its own directive (Directive 2014/107/EU or "DAC II") to effectively fast track the "CRS" exchange of information between EU member states.
- The exchange of information is achieved by requiring local jurisdiction FIs to provide information on Reportable Persons to their local tax authority, who in turn exchange such information with the relevant foreign tax authorities.

CRS in Ireland

- Ireland introduced legislation to domestically implement the CRS via Section 891F, Tax Consolidation Act ("TCA") 1997. Regulations to govern the collection and reporting of information under the CRS are set out in SI No. 583 of 2015.
- The Irish Revenue Commissioners ("Revenue") have published the Tax and Duty Manual Part 38-03-23 which contains the Standard for Automatic Exchange of Financial Account Information in Tax Matters – CRS (latest version May 2018) to provide guidance on the application of CRS in Ireland. Revenue have also indicated that the publication of Irish specific guidance on CRS will be limited, as Irish FIs are expected to refer to the most recent version of the "Standard" published by the OECD (second edition released in March 2017). This is to encourage the consistent application of the CRS across various jurisdictions.
- Reporting Irish FIs are required to report information on accounts held by Non-Irish and Non-US persons (individuals and entities) and certain Non-Financial Entities ("NFEs") controlled by Non-Irish and Non-US persons.
- Foreign tax resident subsidiaries or branches of Irish Financial Institutions are governed by the CRS provisions in their jurisdiction of tax residence.

CRS Reporting Requirements in Ireland

- Irish FIs are required to file an annual CRS return with Revenue via Revenue Online System ("ROS") on or before 30 June with respect to the previous calendar year.
- In order to file a CRS return via ROS, Irish FIs are required to have an Irish tax reference number (e.g. Corporation Tax, Investment Undertaking Tax, Income Tax, etc.); and complete a once-off reporting registration.
- Even if a Reporting Irish FI does not hold any Reportable Accounts it will still be classified as an FI. However, it will simply be required to file a nil CRS return, as it will have no Reportable Accounts to report. It is important to note that the requirement for an FI to file a nil CRS return may differ between jurisdictions.
- If an Irish entity is not classified as an FI, it will mostly likely be an NFE and should not have any CRS registration or reporting obligations. However it may be required to disclose information on its Controlling Persons (typically 25% or more, but can be 10% or more depending on the jurisdiction), which are Reportable Persons for self-certification purposes.

Key Dates and Deadlines

- **CRS Reporting:** FIs are required to file an annual CRS return on or before 30 June with respect to the previous calendar year.
- **Due Diligence:** The due diligence requirements under CRS vary depending on whether the account is a New Account or Pre-Existing Account and whether the account is a Low Value Account or a High Value Account. Ongoing CRS due diligence obligations should be completed throughout the year.

How Can KPMG Help?

- **Legal Entity Classification** – Determine an entity's CRS status and its corresponding registration and reporting obligations.
- **CRS Policy and Procedures and Due Diligence Review** – Review CRS policy and procedures documents and information reported to ensure best practices are utilised and maintained and high quality information is returned to Revenue.
- **Registration and Reporting** – Register a CRS reporting obligation and prepare CRS returns aligned with Irish domestic reporting requirements to be filed with Revenue by 30 June annually with respect to the preceding calendar year via ROS.
- **Self-Certification Forms** – Completion or review of Self-Certification Forms requested by FIs for CRS purposes.
- **Legal Agreements** – Reviewing CRS language included in legal agreements (i.e. loan agreements etc.).
- **Technical Training Sessions** – Conduct training sessions on the CRS.
- **KPMG Reporting Tool** – KPMG globally has developed an extensive suite of technology tools to assist with meeting due diligence and reporting obligations under the various AEOI regimes.

Additional information:

More information is available on our AEOI website via the link below:
kpmg.ie/aeoi

If you have any questions, or would like to discuss your particular circumstances, please contact a member of your KPMG team or one of the contacts listed below to discuss the potential impact of AEOI on your business.

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