UNITED ARAB EMIRATES
MINISTRY OF FINANCE

Common Reporting Standard ("CRS")

Reporting guidelines

Background to the Common Reporting Standard

The Common Reporting Standard ("CRS") for Automatic Exchange of Information was developed by the Organisation for Economic Co-operation and Development ("OECD") to tackle tax evasion through the exchange of financial account information between jurisdictions, with the aim of identifying financial assets held by taxpayers in offshore jurisdictions.

Under the CRS, Reporting Financial Institutions ("RFIs") are required, amongst other obligations, to collect and report certain financial information in respect of the financial accounts it maintains to the Competent Authority on an annual basis. This information is then exchanged between Competent Authorities of CRS partner jurisdictions.

The United Arab Emirates ("UAE") has signed the Convention on Mutual Administrative Assistance in Tax Matters ("MAC"), the Declaration of Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("MCAA") and the Unilateral Declaration in April 2017.

Impact of the CRS

RFIs are required to apply due diligence procedures and collect documentation (e.g., CRS self-certification forms) to identify whether a financial account is a CRS Reportable Account.

The CRS self-certification form requires an individual account holder to declare, amongst other data elements, their name, residence address, jurisdiction(s) of tax residence and if applicable, Tax Identification Number(s) ("TIN") (or a valid reason if no TIN is available). Similarly, entity account holders are required to declare, amongst other data elements, its legal name, address, jurisdiction(s) of tax residence and if applicable, TIN(s) (or provide a valid reason if no TIN is available), as well as to declare its entity classification under the CRS and disclose information on Controlling Person(s) for certain types of entities.

RFIs are also required to have effective systems in place to accurately identify CRS Reportable Accounts and to ensure that the information reported for CRS purposes meets the data quality requirements.

Purpose of this circular

Provide guidance to RFIs in relation to existing CRS reporting requirements to ensure the data submitted is in line with such requirements, particularly information relating to:

- Tax Identification Number(s);
- First name and last name;
- Date of birth; and
- Address.

This Circular should be used in conjunction with other Circulars issued by the Ministry of Finance on CRS.

Tax Identification Number (TIN)

Under the CRS, the TIN(s) must be collected and reported, where available, for all Reportable Account Holders/Controlling Persons that are tax resident in jurisdictions that issue TINs to their tax residents.

New Accounts (accounts opened on or after 1 January 2017)

RFIs are required to collect TIN(s) for all New Accounts as part of the onboarding process upon account opening. Exceptions may apply where a TIN is not issued by the jurisdiction where the Account Holder is resident for tax purposes. In this regard, the RFI should assess whether the reason(s) declared by the Account Holder for not providing a TIN in respect to its residency(ies) for tax purposes is reasonable according to the jurisdictions' TIN requirements.

Pre-existing Accounts (accounts maintained as of 31 December 2016)

Where the TIN is not maintained by the RFI for CRS Reportable Accounts opened before 1 January 2017, the RFI must use and demonstrate reasonable efforts to obtain the TIN from such Account Holders and/or Controlling Persons and document this approach.

Quality of TIN data collected

RFIs should have effective systems in place to ensure the TIN recorded and reported for an Account Holder and/or Controlling Persons is accurate.

In reviewing the TIN provided by Account Holders and/or Controlling Persons as defined by the CRS), RFIs must consult the following guidance issued by the OECD to ensure that the structure and format of the TIN(s) are in line with those prescribed by the jurisdiction(s) in which the Account Holder and/or Controlling Person claims to be tax resident:

https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/

This review must be completed as part of the reasonableness check of the CRS self-certification form at account opening or upon a change in circumstance.

First name and last name

The CRS requires the reporting of the data elements for the first name and last name in relation to individual Account Holders or Controlling Persons.

In certain cases, CRS exchange partner jurisdictions are unable to identify the individual Account Holder or Controlling Person based on the name reported by an RFI.

To enhance the quality of the data exchanged, RFIs should compare the first name and last name provided by the Account Holder or Controlling Persons against the name as per the official documentation submitted by the Account Holder/Controlling Person.

If an individual's legal name is a mononym or single name, the first name data element should be completed as "NFN" (No First Name), and the last name field should be completed with the Account Holder's mononym.

Date of Birth

Under the CRS regulations in the UAE, the date of birth must always be reported for individual Account Holders and Controlling Persons.

A RFI is required to collect the date of birth of the Account Holder/Controlling Person as part of the onboarding process for account opening.

A CRS self-certification form must contain the date of birth of the Account Holder/Controlling Person for it to be valid. The RFI must confirm the validity and reasonableness of the CRS self-certification form and verify it against the documentary evidence and/or information obtained in connection with account opening, including any documentation collected pursuant to Anti-Money Laundering ("AML") / Know-Your-Customer ("KYC") procedures, to ensure that the information contained in the self-certification form, including the date of birth, is correct.

Address

The CRS requires the reporting of the "residence address" of all reportable Account Holders.

The "residence address" data element refers to the current residence address of the individual Account Holder or Controlling Person. For an entity Account Holder, the "residence address" to be reported may be the entity's place of incorporation or organization, or the registered address, principal office or place of effective management, depending on the type of the entity. In the case of a Trust, the "residence address" to be reported will be the current residence address of one or more trustees.

When reporting one or more Controlling Persons of a Passive Non-Financial Entity ("Passive NFE") that are a Reportable Person, the address of the entity Account Holder must be reported, as well as the current residence address of each Controlling Person.

If the RFI does not have a permanent residence address on file, then the mailing address used by the RFI to contact the Account Holder should be reported.

In order to enhance the quality of the data shared, the address should be provided in sufficient detail to allow the CRS partner jurisdiction to be able to identify the Account Holder for which the information is being reported. For example, RFIs should not report an address composed only of numbers, or missing crucial address information such as the city, street name and building number.