

Frequently Asked Question

1. What is CRS?

The Common Reporting Standard (CRS) is a new information-gathering and reporting requirement for Financial Institutions in participating countries, to help fight against tax evasion and protect the integrity of tax systems. It is a global initiative championed and developed by the Organisation for Economic Co-operation and Development (the "OECD"). Approximately 100 countries have committed to exchange data with each other on an annual basis under the CRS regime.

2. What is the purpose of CRS?

The main purpose of the CRS is to combat the offshore tax evasion and to provide minimum set of standards and framework to increase efficiency and decrease cost associated with exchange of information. Local Financial Institutions report CRS specific information to their Competent Tax Authority, who in turn exchanges this information with the respective Competent Authorities of the Participating Jurisdictions with which they have an agreement in place.

3. Is CRS applicable in Mauritius?

Yes, in June 2015, Mauritius signed the Convention on Mutual Administrative Assistance in Tax Matters (the Convention) developed by the OECD.

Under the Convention, Mauritius is required to exchange information automatically on a reciprocal basis with all those jurisdictions that have signed the Convention. The exchange of information will take place through the Mauritius Revenue Authority (MRA), the local tax authority.

4. Do CRS regulations replace FATCA?

No, it is to run along aside FATCA regulations. If you are resident in a jurisdiction other than the United States however, it is possible that you might be subject to reporting under both the US FATCA and the Common Reporting Standard regimes.

5. Why is SBM asking me for my tax residency jurisdiction(s)?

Generally, the CRS requires financial institutions like SBM, in each CRS participating country to request the tax residency status of their customers and provide information to their local tax authority about any accounts held by tax residents of other countries.

Frequently Asked Question

6. What does CRS mean for SBM customers?

SBM is committed to comply with CRS legislation with a minimum burden on our customers.

Customers will still need to provide additional information for the CRS even if you have already provided information in relation to FATCA as this is a separate regulation.

After January 1, 2017, customers opening accounts with SBM generally will be required to provide their tax residency status and tax identification number (TIN) for all countries in which they are resident for tax purposes.

In addition, applications for accounts held by certain entities require disclosure of the entity's individual controlling persons who are tax residents of countries other than Mauritius.

Customers will be required to provide SBM with a self-certification. This may form part of the account opening process and SBM will contact you if the Bank requires further information or a self-certification form to be completed.

7. Self-Certification requirements

The due diligence requirements apply for both 'new accounts' and 'pre-existing' accounts.

New accounts are those opened on or after 1 January 2017. The due diligence procedures for new accounts require that self-certification be obtained from the customers at the time of account opening.

Pre-existing accounts are those opened as at 31 December 2016. SBM will, in due course, contact all customers subject to CRS review to obtain a self-certification form in which they determine their residence(s) for tax purposes and provide their tax identification(s) number.

Unlike FATCA, the CRS does not include the minimum account balance threshold, and thus all the accounts are subject to review and potential reporting.

8. What happens if a client does not provide a self-certification?

SBM and their customers will be required by law to comply with the CRS. It is important for customers to respond to requests from SBM Group and its subsidiaries to provide required information about their tax residency even if they are not tax resident outside of Mauritius.

Frequently Asked Question

Without a self-certification, SBM is legally obliged to consider the account holder as a Reportable Person. As a consequence, undocumented or 'non-responder' account holder information will be reported to the relevant tax authorities.

9. How will SBM Group comply with CRS?

SBM is required to collect personal and financial data of account holders, including an account holder's tax residence in order to confirm their CRS status.

10. What is the CRS reporting period?

CRS operates on a calendar year basis. The first reporting to Mauritius Revenue Authority (MRA) for the period 1 January to 31 December 2017 is 31 July 2018.

11. What information are you asking customers to provide and verify?

In line with the CRS requirements, we will ask you for your:

- Name
- Residential Address
- Place of birth (for Individual and Controlling Persons)
- Date of birth (for Individual and Controlling Persons)
- Country of tax residence
- Taxpayer identification number(s) (TIN)
- Country of registration/incorporation (for Entities)
- Entity Type
- Controlling Persons of the Entity

12. What information will be reported to MRA?

- Name
- Address
- Taxpayer Identification Number(s) (TIN)
- Jurisdiction(s) to which the information is reportable
- Account Number
- Account balance or value as at the end of the calendar year
- Amount of interest, dividends, gross proceeds and other payments made or credited to the account (if applicable).



Frequently Asked Question

13. What if I have multiple residencies?

As per CRS, client has to disclose each country where he/she is tax resident and provide TIN (Tax Identification Number) for each country indicated.

14. What happens if my tax residency changes?

You shall notify SBM of your updated tax residency status. The information will enable SBM to determine whether your account is reportable to MRA and which overseas tax authorities your information is shared with.

15. Why is SBM providing tax authorities with my tax details?

SBM is required to report your tax details under the legal obligations introduced by countries participating in the CRS.

To safeguard the confidentiality of information exchanged in respect of taxes of every kind and description covered under an agreement, Section 76 of the Income Tax Act has also been amended accordingly.

16. What is the role of SBM group regarding CRS?

Branches and subsidiaries under SBM Group need to identify and report information on accounts held by persons resident in the partners' jurisdictions with the Mauritius Revenue Authority (MRA), which will in turn report to the Revenue Authority of the Participating Jurisdictions.

17. Who is an 'Account Holder'?

From a financial institutions perspective, the account holders are simply the owners of the bank accounts held with that bank.

In the case of entities that are administered, the situation is a little more complex, for example:

Type of Entity	Account Holders might include
Company	The Shareholders (including those for whom shares are held on a nominee arrangement); or holders of certain types of debt interest in the company
Trust	The Settlor, some Trustees, Protectors, and certain types of beneficiaries (where there are benefits being provided or the class of beneficiary has a defined right to any part of the capital or income of the Trust)
Partnership	The Partners
Fund vehicles	Most 'investors' in a fund will potentially be seen as an account holder.

Frequently Asked Question

18. What type of Entity account that is reportable?

The Entity account that is reportable, is an account held by a Passive NFE (**Non-Financial Entity**) with one or more Controlling Persons that is a Reportable Person.

19. What are Active NFE and Passive NFE?

The term 'Entity' means a legal person or a legal arrangement, such as a corporation, organisation, partnership, trust or foundation.

An Active NFE if it meets any of the criteria listed below.

In summary, those criteria refer to:

- Active NFEs by reason of income and assets;
- Publicly traded NFEs;
- Governmental Entities, International Organisations, Central Banks, or their wholly owned Entities;
- holding NFEs that are members of a nonfinancial group;
- Start-up NFEs;
- NFEs that are liquidating or emerging from bankruptcy;
- Treasury centres that are members of a nonfinancial group; or
- Non-profit NFEs.

Under the CRS a "Passive NFE" means any:

- (i) NFE that is not an Active NFE; and
- (ii) Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution.

Your tax advisor may help you to determine whether the entity is an Active NFE and Passive NFE.

20. Where can I find further information and advice?

For further information on your tax residency, please refer to the rules governing tax residence that have been published by each national tax authority. You can also find out more info at the OECD Automatic Exchange of Information portal and on MRA website.

Please note that this document does not constitute tax or legal advice. If you have any questions about CRS or FATCA, please contact your tax, legal and/or other professional advisor.