



## SINGAPORE – COMMON REPORTING STANDARD (CRS)

Singapore first published the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (CRS Regulations) on 2 December 2016. These regulations entered into force on 1 January 2017. On 4 April 2017 and 10 April 2017, the Singapore authorities issued amendments to the Singapore Common Reporting Standard (CRS) Regulations and updates to the Inland Revenue Authority of Singapore (IRAS) CRS FAQs respectively.

Singapore has committed to implement the CRS, with the first exchange to take place by **September 2018**.

### What is CRS?

Automatic exchange of information ("AEOI") based on the CRS refers to the regular exchange of financial account information between jurisdictions for tax purposes, with the objective of detecting and deterring tax evasion by taxpayers through the use of offshore bank accounts.

The CRS is an internationally agreed standard for AEOI on financial account information, endorsed by the OECD and the Global Forum for Transparency and Exchange of Information for Tax Purposes. The CRS sets out the financial account information to be exchanged, the financial institutions ("FIs") required to report, the different types of accounts and taxpayers covered, as well as the customer due diligence procedures to be followed by FIs. The CRS builds on the FATCA reporting regime to maximise efficiency and reduce costs for implementing jurisdictions and their FIs. More than 100 jurisdictions, including major financial centres such as Dubai, Hong Kong, Luxembourg and Switzerland, have endorsed the CRS and will commence AEOI in either 2017 or 2018.

### Singapore signed Multilateral Competent Authority Agreements

In June 2017, Singapore has signed the Multilateral Competent Authority Agreements ("MCAAs") on:

- the Automatic Exchange of Financial Account Information under the CRS; and
- the Exchange of Country-by-Country ("CbC") Reports.

The signing of both MCAAs reaffirms Singapore's commitment to the international standards on tax cooperation. For both MCAAs, the principles are as follows:

- (a) The AEOI partner has the safeguards needed to ensure the confidentiality of information exchanged and prevent its unauthorised use; and
- (b) There is full reciprocity with the AEOI partner in terms of information exchanged.

In the case of CRS, Singapore will also want to ensure that there is a level playing field among all major financial centres. Singapore will consider engaging in automatic exchange of financial account information with regional jurisdictions which have the safeguards to ensure the confidentiality of information exchanged, and have similar agreements in place with relevant financial centres, including Hong Kong and Switzerland.

### List of Participating Jurisdictions

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

- i) an agreement is in place pursuant to which there is an obligation to automatically exchange information on reportable accounts; and
- ii) is identified on a published list.

Singapore will consider all jurisdictions that have publicly and at government level committed to adopt the CRS by 2018 as Participating Jurisdictions. The list of Participating Jurisdictions will be updated at least once a year to reflect changes in jurisdictions' commitment to and implementation of CRS, and will be published on IRAS' CRS webpage.

## Key updates to the IRAS CRS FAQs

On 10 April 2017, the IRAS released updated FAQs. Two critical updates are as below:

- For new accounts, Reporting SGFIs would need to obtain a valid self-certification which captures SG TIN information, even when the Account Holder or a Controlling Person of a passive NFE (as relevant) has indicated itself to be solely Singapore tax resident.

Reporting SGFIs would need to start collecting SG TINs from 1 July 2017. For Reporting SGFIs that have begun collecting such SG TIN information before 30 June 2017 (for new accounts opened from 1 January 2017 to 30 June 2017) but account holders or controlling persons have not provided their SG TINs notwithstanding that these relevant parties have indicated themselves to be Singapore tax resident, Reporting SGFIs would need to continue to follow up with these parties, or obtain the relevant SG TIN information by 31 December 2017.

- For pre-existing accounts, IRAS confirmed that Reporting SGFIs are expected to obtain the SG TIN of an Account Holder or a Controlling Person (of a Passive NFE) that has indicated Singapore as the jurisdiction of tax residence on the self-certification. For such cases, Reporting SGFIs that have not been doing so are required to start doing so from 1 July 2017. Likewise, for self-certifications that have been collected prior to 30 June 2017, but where no SG TIN is provided, Reporting SGFIs are to undertake reasonable efforts to obtain the SG TIN.

Following the above, Reporting SGFIs should revise, as appropriate, their CRS due diligence, policies and procedures, and undertake any necessary remediation to ensure compliance with the new guidance.

Please click [here](#) for full text of the FAQs. For more information, please contact us at –



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2 July 2017  
Singapore

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