

CRS : Frequently Asked Questions

Why have you sent me this letter now?

Gibraltar is subject to a number of automatic exchange of information agreements, including agreements with the United Kingdom, the United States of America and most recently, the OECD's Common Reporting Standard ('CRS') in which over 100 countries participate.

All EU countries are signed up to the standard, as are most reputable jurisdictions worldwide.

The regulations require that banks and other financial institutions review their client portfolios in order to identify certain key indicia pointing to possible countries of tax residency. These indicia include: your residential address country, mailing address countries, telephone number countries, countries in which any authorised signatories or powers of attorney on the account are resident and countries to which you have set up any standing orders for regular payments.

If countries participating in the CRS or other automatic tax information exchange agreements are identified in the banks records, the details of your account will be reported to the local Gibraltar tax authority for onward exchange with those countries.

You can view a current list of countries committed to the CRS on the OECD's webpage at the following address:

www.oecd.org/tax/transparency/AEOI-commitments.pdf

(Note: it is expected that more countries will sign up to the CRS in the future).

I have already given you the information and documentation requested. Why are you asking me to provide it again?

We are obliged to keep the records that we hold on our clients up to date in order to ensure that any information that we provide is correct and that we comply with the Bank's International anti money laundering obligations. At the same time, we want to be sure that our records are correct and up to date so that we can continue to provide you with the best possible service.

If you believe you have supplied the documentation requested within the last 12 months, and are unsure if there is any need to provide it again, then please contact the help-desk on +350 20003017.

What details will be reported?

Details include the names, residential addresses, tax identification numbers, place and date of birth of the account holders, (and in the case of passive company account holders, their controlling persons/beneficial owners), as well as the value of assets held with the bank at year end and details of income and profits received from the investments held with us. For more information, you please visit our webpage www.trustednovusbank.gi under the *Tax Information* tab at the bottom right of the page.

To whom will the information be reported?

The Bank will report to the local Gibraltar tax authority, which in turn will exchange the information with the relevant participating jurisdictions as per our letter.

When will the information be reported?

Reports will be submitted annually. In respect of CRS reporting, accounts identified as reportable will first be reported to the Gibraltar authority latest 31/7/2017 and the details reported will be in respect of the year ended 31/12/2016.

Why does your letter state that I will be reported to country A & country B when I only live in country A?

In addition to your country of residence, the regulations require banks to look for other country indicia in their records, and if any are present then the country indicated becomes reportable.

Country indicia include:

- Residential address country
- Mailing address country
- Telephone number country codes
- Residency of any authorised signatories or powers of attorney on the account.
- Regular standing orders payments to a participating country

What happens if I am not resident in country B and I do not want my details reported there?

Completing the self-certification form we sent you, and sending a signed copy back to us together with an ID document issued by the government of the country in which you are registered, will prevent your details being reported in a country where you are not resident. The document can be a current driving licence, a National ID Card, a National Health Card or a passport. Remember that we need one form/document for each named account holder and that the account holders name must appear on the document.

What happens if I do nothing and do not complete and return your form?

If you have any difficulty providing any of the information requested then please talk to us about it and we will try to clarify any issues about which you are unsure. Ultimately, if you do not return the form as requested then your account details will reported to any reportable jurisdiction, where our records include relevant indicia (resident country, mailing address country, telephone dialling code country, residency of any authorised signatories or powers of attorney on the account and countries to which you make regular standing orders).

Also, if you do not return the form as requested, then we may regrettably, and as a last resort, block any future operation of your account and ask you to make alternative banking arrangements.

I am not sure if I should consider myself as resident for tax purposes in country A – can you advise me?

I am afraid that we are not authorised to give tax advice. If you are unsure as to any aspect of your legal tax status then we strongly recommend that you seek advice from your accountants or a professional tax adviser.

What if I simply close my account now – do I still need to return the form?

We would still ask that you return the form and if you choose not to do so, then we will report based upon the country indicia currently held in our records (resident country, mailing address country, telephone dialling code country, residency of any authorised signatories or powers of attorney on the account and countries to which you make regular standing orders). The value of assets held on the account will be reported based upon the value immediately prior to closure.

I do spend time in country B and should really be declaring my income there but I have never done so before. What should I do?

It is important that you regularise your position urgently as possible. Unfortunately, we are not authorised to give tax advice but we strongly recommend that you take specialist advice in this regard from a reputable and qualified tax adviser. Ultimately, we will not be in a position to maintain your account with us if the funds held on it, and passing through it, are not tax compliant.

I have a company/entity account with you. Will details of that account be reported as well?

If your company/entity is 'Passive' i.e. it is not trading, more than 50% of its assets and/or income are derived from passive investments (bonds, shares, funds, rental properties etc.) then details of the company and its controlling persons (beneficial owners or in the case of a trust account the Settlers, Trustees, Beneficiaries and Protectors) will be reported.

However, if the company/entity is 'Active' (i.e more than 50% of its income is from commercial trading activity such as a retail or manufacturing company) and if more than 50% of its assets are held to generate active income, and if it is actively managed in its country of incorporation, then it will not be reported.

Where can I find out more about Automatic exchange of Tax information?

There are some links available in the material provided on the banks web page www.trustednovusbank.gi that you might find helpful (found under the *Tax Information* tab towards the bottom right of the web page).

If you need tax advice, please note that the bank is not authorised to provide it. You should seek advice from your accountants or a reputable qualified tax adviser.