

## Common Reporting Standard Fact Sheet

### **Disclaimer:**

The contents of this Fact Sheet are prepared for reference in connection with the sole purpose of implementation of common Reporting Standard related legislations. The information in this Fact Sheet does not and should not be constituted as tax advice, and should not be shared with a third party without the express consent of EIPL Compliance Department.

### **Background**

The Common Reporting Standard (“CRS”) is an internationally agreed standard for regular exchange of financial account information between jurisdictions, with the objective of detecting and deterring tax evasion by taxpayers. Under the CRS, Singapore based financial institutions, including EIPL, are required to establish the tax residence(s) of all customers. Depending on the type of insurance policy(ies) held with EIPL, customers would be required to provide information and supporting documents on tax residency, which would be submitted to IRAS for transmission to tax authorities in other jurisdictions under the various bilateral exchange agreements.

### **Who is affected?**

Whether you are an individual customer or you have a business relationship with EIPL, the CRS may affect you. The impact will depend on factors such as:

- The type of insurance policy (ies) you hold with us; and
- Where you live or operate as a business

If you have any questions regarding your tax residency, please refer to the rules governing tax residence that have been published by each national tax authority on **the Organisation for Economic Cooperation and Development (“OECD”)** website. As we are unable to provide tax advice, please contact a professional tax or legal advisor should you have any specific questions regarding your tax residency for tax purposes.

### **What is EIPL required to do?**

Under the CRS, EIPL, together with all Financial Institutions, is required to identify customers who are tax resident outside Singapore, and report certain financial account information to Inland Revenue Authority of Singapore (“IRAS”). IRAS may then share that information with the tax authority in the country where you are tax resident.

### **What does it mean for customers?**

EIPL will request that customers complete a self-certification form that includes a declaration of their tax residency. Customers are responsible for completing the self-certification and informing EIPL of changes in circumstances that may impact their CRS classification.

### **What information will be requested from Customers?**

In line with the CRS requirements, we will be asking you for the following information:

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

Additionally, we will request for the following self-certification forms from foreign tax residents:

**CRS Form A : Self-Certification Form for Individual** – For self-certification by an individual account holder

**CRS Form B : Self-Certification Form for Entity** – For self-certification by an entity account holder

**CRS Form C : Self-Certification Form for Controlling Person** – For self-certification by a controlling person of a passive entity account holder

If you are unable to provide the requested information / certification, EIPL may not be able to proceed with the issuance of policy for you.

### **Why are the Information Requested similar to what I have provided under FATCA?**

Even if you have already provided information under the United States government's Foreign Account Tax Compliance Act (FATCA), you may still need to provide additional information for the CRS as these are different regulations with different requirements.

FATCA is focused on non-US financial institutions and requires such financial institutions to identify US Persons and report information on these US persons to the US Internal Revenue Service, through IRAS. This is in line with local FATCA regulations. In general, the CRS requires financial institutions to identify the tax residency of all our customers and in certain circumstances, report information on customers who are tax resident outside of Singapore where they hold their accounts to the relevant tax authorities.

### **What are the Implications for any Breach of CRS?**

Under section 105M of the Singapore Income Tax Act, it is an offence if any person, in making a self-certification, makes a statement that is false or misleading in a material particular, if that person knows or have reason to believe that such information is false or misleading. Such offence is punishable with a fine not exceeding \$10,000 or imprisonment for a term not exceeding 2 years or both.

### **Are the Information I provide safe?**

EIPL will respect your data privacy. We will only disclose your information to the relevant tax authorities where we are legally required to do so. It is expected that Singapore's selected partnering countries will have a strong rule of law in place to ensure there is confidentiality of information exchanged which are protected and not subject to unauthorised access or misuse.



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The information reported to tax authorities will have been provided in the self-certification form, and details about the accounts and products you have with us, including cash value and the total amounts of Anticipated Cash Benefits, Dividends, Interests or payments credited.

### **Where can I read more about CRS?**

You can find out more about the jurisdictions that have signed agreements to automatically exchange information on the OECD automatic exchange of information portal, the OECD CRS for Automatic Exchange of Information (AEOI) and domestic guidance.



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#### Key Terms Relating to the Common Reporting Standard

Term	Description
<b>Automatic Exchange of Information ("AEOI")</b>	An arrangement that provides for the exchange of non-resident financial account information with the foreign tax to enable discovery of formerly undetected tax evasion.
<b>Account Holder</b>	<p>The person listed or identified as the holder of a Financial Account or a Financial Institution that maintains the account. This excludes the agent, custodian, nominee, signatory, investment advisor, or intermediary of an account.</p> <p>In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract.</p> <p>Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.</p>
<b>Controlling Person</b>	A natural person who exercises control over an Entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.
<b>Entity</b>	A legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.
<b>Financial Account Tax Compliance Act ("FATCA")</b>	A United States (US) federal law to enforce the requirement for US persons including those living outside the US to file yearly reports on their non-U.S. financials. It requires all non-US (foreign) financial institutions (FFIs) to search their records for indicia indicating US person-status and to report the assets and identities of such persons to the US Department of the Treasury.
<b>Financial Institution</b>	<p>This refers to any entity that:</p> <ul style="list-style-type: none"><li>(a) Accepts deposits in the ordinary course of a banking or similar business;</li><li>(b) Holds, as a substantial portion of its business, financial assets for the account of others;</li><li>(c) Is an investment entity;</li><li>(d) Is an insurance company (or a holding company that is a member of an expanded affiliated group that includes an insurance company), and the insurance company (or holding company) issues, or is obligated to make payments with respect to, a cash value insurance or annuity contract; or</li><li>(e) Is an entity that is a holding company or treasury centre.</li></ul>



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<b>Global Intermediary Identification Number (“GIIN”)</b>	Under FATCA, this is a number assigned to a Participating Foreign Financial Institution or Registered Deemed Compliant Foreign Financial Institution.
<b>Non-Financial Entity (“NFE”) (Active)</b>	A Non-Financial Entity that meets any of the following criteria: (a) Less than 50 per cent of the NFE’s gross income for the preceding calendar year is passive income; and Less than 50 per cent of the assets held by the NFE during the preceding calendar year are assets that produce or are held for the production of passive income; (b) The stock of the NFE is regularly traded on an established securities market or the NFE; (c) Is a Related Entity of an Entity the stock of which is regularly traded on an established securities market; or (d) Is a Governmental Entity, an International Organization, a Central Bank, or an Entity wholly owned by one or more of the foregoing; or any other non-profit organisation.
<b>Non-Financial Entity (Passive)</b>	An entity that is not a Financial Institution, and is not a Participating Jurisdiction Financial Institution.
<b>Organisation for Economic Co-operation and Development (“OECD”)</b>	An international organisation that promote policies that will improve the economic and social well-being of people around the world.
<b>Power of Attorney</b>	An instrument created by a person who entrusts someone to act on his/her behalf, usually in a legal transaction e.g. buying or selling of property.
<b>Related entity</b>	An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50 per cent of the vote and value in an Entity.
<b>Reportable Jurisdiction / Participating Jurisdiction</b>	A jurisdiction with which an agreement is in place pursuant to which there is an obligation in place to provide the information under CRS.
<b>Reportable Person</b>	A Reportable Person is an individual (or entity) that is tax resident in a Reportable Jurisdiction under its laws. The Account Holder will usually be the “Reportable Person”. In the case of a Passive Non-Financial Entity being the Account Holder, the Reportable Person also includes any Controlling Persons who are tax resident in a Reportable Jurisdiction.
<b>Security Market</b>	An established Securities exchange that: (a) Is officially recognised, sanctioned or supervised by a governmental authority of the foreign country in which the market is located; and (b) Has an annual value of shares traded on the exchange (or a predecessor exchange) exceeding \$1 billion during each of the three calendar years immediately preceding the year in which determination is being made.
<b>Tax Resident</b>	An individual who is subject to tax obligations within a jurisdiction.
<b>Tax Identification Number (“TIN”)</b>	Tax reference number issued by authority of the country of tax residence. Some jurisdictions do not issue a TIN. Instead, they use other types of identification which acts as a functional equivalent, for example, a social security, insurance number, citizen or personal identification code or resident registration number.