

Common Reporting Standard (CRS)

CRS Overview

The Common Reporting Standard (“CRS”), formally referred to as the Standard for Automatic Exchange of Financial Account Information (“AEOI”), is a global model for tax transparency with the intention of preventing tax evasion, and is approved by the Organization for Economic Co-operation and Development (“OECD”). Similar to FATCA (Foreign Account Tax Compliance Act), which is approved by the US Treasury and Internal Revenue Service, CRS requires financial institutions around the globe to play a central role in providing tax authorities with greater access and insight into the financial account data of taxpayers.

Sumitomo Mitsui Banking Corporation (“SMBC”), as a reporting financial institution, has the legal obligations to report to the tax authorities of CRS participating jurisdictions¹ for the purpose of CRS in order to comply with relevant laws and regulations.

CRS Due Diligence

SMBC Offices located in the CRS participating jurisdictions, are legally obliged to identify the tax residency² of all relevant account holders (and where applicable, the tax residency of controlling persons in the case of entity customers), and report the required information to the tax authorities if the tax residency is found to be a CRS participating jurisdiction. Both new and existing customers, including both individuals and entities, may be advised to complete a CRS self-certification form in order to provide information about the account holder, such as tax residency and citizenship status (entities may also be asked for information regarding their beneficial owners) under each country’s laws and regulations with respect to CRS implementation.

If sufficient and appropriate documentation required under CRS due diligence requirements is not provided, SMBC may have to report the non-compliant accounts to the relevant tax authorities. In addition, SMBC may not open new account for these customers, and penalties may apply for a false or misleading statement provided in the self-certification form, depending on the local regulations.

¹ You can find out a list of jurisdictions that have signed agreements to automatically exchange information, along with details being requested on the OECD AEOI Portal.

² The criteria for residency for tax purposes varies considerably from jurisdiction to jurisdiction, so please refer to local tax regulations for full details.

Since CRS is required to be implemented in accordance with regulations and guidance issued in each participating jurisdiction, customers who have business with SMBC overseas offices will need to be in compliance with applicable local requirements of CRS due diligence. Therefore, we would appreciate your understanding and cooperation on this matter.

*As a financial institution, SMBC is not in the position to offer any legal or tax advice. If you are uncertain of your CRS status, please consult your own legal and tax advisors.