

## **Automatic Exchange of Information for Tax Purposes**

As one of the world's leading financial institutions, HSBC is committed to adopting the highest regulatory standards everywhere we operate.

In recent years, Governments throughout the world have focussed on protecting the integrity of their tax systems by pursuing undisclosed wealth held in offshore bank accounts. This focus has led to a coordinated effort by the Organisation for Economic Co-Operation and Development (the "OECD") to develop an international system for the automatic exchange of financial data. This system is commonly referred to as the "Common Reporting Standard" ("CRS").

Over 90 countries have committed to the CRS to date, including Singapore. Whilst some countries have committed to introducing CRS by 1 January 2016, Singapore has agreed to implement CRS with effect from 1 January 2017. The first exchange of information would then take place sometime in 2018.

Under CRS, Singapore will automatically exchange information with other participating jurisdictions on assets held in Singapore by the tax residents of these jurisdictions. This exchange of information will take place on an annual basis.

HSBC is committed to protecting the integrity of tax systems and preventing financial crime of all types. HSBC fully supports the implementation of CRS and will comply with all relevant laws, regulations and obligations when legally required to do so.

## **What happens next**

In order to comply with CRS, we will be contacting you in due course to obtain certain information regarding your tax status. This information will include confirmation of your tax residency, as well as other relevant information required under CRS (e.g., your Tax Identification Number). We will inform you of the implementation details in a clear and timely manner in due course.

In conjunction with the increase in tax transparency as a result of CRS, tax authorities are toughening their approach to tackling non-compliance. For example, the UK is planning to introduce a range of new sanctions for offshore non-compliance, as well as introducing tougher terms for its voluntary disclosure facility at the end of 2015.

Customers who have any concerns around their international tax obligations should consider looking at their tax affairs to reconfirm their position and take appropriate steps where necessary. Please consult a professional tax or legal advisor if you require specific tax or legal advice.

A list of CRS participating countries is enclosed for your information. Further information can also be found at <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>. Information on UK offshore disclosure facilities can be found at <https://www.gov.uk/guidance/offshore-disclosure-facilities>. General HM Revenue & Customs guidance with respect to offshore assets and income can also be found at <https://www.gov.uk/government/publications/ten-things-about-offshore-assets-and-income/ten-things-about-offshore-assets-and-income>.



## **AEOI: STATUS OF COMMITMENTS**

The table below summarises the intended implementation timelines of the new standard.<sup>1</sup>

<b>JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2017</b>
Anguilla, Argentina, Barbados, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Curaçao, Cyprus, Czech Republic, Denmark, Dominica, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Greenland, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Montserrat, Netherlands, Niue, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago, Turks and Caicos Islands, United Kingdom
<b>JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018</b>
Albania, Andorra, Antigua and Barbuda, Aruba, Australia, Austria, The Bahamas, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Ghana, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Marshall Islands, Macao (China), Malaysia, Monaco, New Zealand, Panama, Qatar, Russia, Saint Kitts and Nevis, Samoa, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Turkey, United Arab Emirates, Uruguay
<b>JURISDICTIONS THAT HAVE NOT INDICATED A TIMELINE OR THAT HAVE NOT YET COMMITTED</b>
Bahrain, Nauru, Vanuatu

<sup>1</sup>

The United States has indicated that it will be undertaking automatic information exchanges pursuant to FATCA from 2015 and has entered into intergovernmental agreements (IGAs) with other jurisdictions to do so. The Model 1A IGAs entered into by the United States acknowledge the need for the United States to achieve equivalent levels of reciprocal automatic information exchange with partner jurisdictions. They also include a political commitment to pursue the adoption of regulations and to advocate and support relevant legislation to achieve such equivalent levels of reciprocal automatic exchange.