



# Common Reporting Standard for the Automatic Exchange of Financial Account Information

Prepare your Common Reporting Standard affairs under the Automatic Exchange of Financial Account Information framework.

**Last updated** 30 April 2024

## What is the Common Reporting Standard >

Common Reporting Standard (CRS) and what to do when a customer opens a new account.

## Legislation and guidance >

CRS legislation and guidance material for financial institutions, customers and tax agents.

## Prepare and lodge your CRS report >

How to prepare and lodge your CRS report.

## CRS circumvention schemes >

~~Financial institutions to consider OECD's analysis of ODI/RDI~~

## News updates and how to contact us



How to subscribe to regular email updates, read latest news on CRS and contact us.

QC 44630

# What is the Common Reporting Standard

Common Reporting Standard (CRS) and what to do when a customer opens a new account.

**Last updated** 30 April 2024

## The Common Reporting Standard

The Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under the CRS, banks and other financial institutions collect and report financial account information on foreign tax residents to us. We exchange this information with participating foreign tax authorities of those foreign tax residents.

In return, we receive financial account information on Australian residents from other countries' tax authorities. This helps ensure that Australian residents with financial accounts in other countries are complying with Australian tax law. The exchange of financial account information acts as a deterrent to tax evasion.

For more information, see [prepare and lodge your CRS report](#).

## Self-certification compliance requirements for new accounts

The CRS requires a reporting financial institution (RFI) to obtain self-certifications for all new accounts.

For more information on self-certifications, see [Obtaining valid self-certifications for all new accounts](#).

QC 101746

## Legislation and guidance

CRS legislation and guidance material for financial institutions, customers and tax agents.

**Last updated** 30 April 2024

### Legislation



The Australian Government announced the Organisation for Economic Co-operation and Development's (OECD) CRS in the Mid-year Economic and Fiscal Outlook 2014–15.

The CRS legislation received royal assent on 18 March 2016 and came into effect on 1 July 2017. The first exchange of information occurred in 2018.

### Guidance material for institutions, customers and tax agents

Guidance material to assist financial institutions, customers, and tax agents with CRS.

#### Financial institutions

- [Automatic exchange of information guidance – CRS and FATCA](#)  – guidance to understand how the CRS may affect financial institutions and their clients. We will update this page as we receive and respond to further questions from industry and changes to legislation.
- [Self-review guide and toolkit](#)  – guidance to understand how to conduct a self-review on a financial institution's automatic

exchange of information framework.

### **Customers**

- Foreign tax resident reporting – how the automatic exchange of information affects you – for customers, investors, and account holders of financial institutions to understand how the automatic exchange of information affects you.

### **Tax agents**

- Common Reporting Standard – information for tax agents – to understand how the CRS may affect your clients.

For more information, see:

- The Standard for Automatic Exchange of Financial Account Information in Tax Matters – developed by the OECD with G20 countries.
- Automatic Exchange Portal – resources for the implementation of automatic exchange of information in tax matters on the OECD website.

QC 101747

## **Prepare and lodge your CRS report**

How to prepare and lodge your CRS report.

**Published** 30 April 2024

What reporters, not-for-profit (NFP) organisations and digital service providers need to prepare and lodge CRS reports.

### **Financial institutions**

- CRS reporting – information on preparing and lodging a CRS report.

### **Not-for-profit organisations**

- Not-for-profits and the Common Reporting Standard – see if CRS affects your NFP and to determine if you have a reporting obligation.

### **Digital service providers**

- **Common Reporting Standard** [🔗](#) on our Software Developers website – information on the CRS XML schema and technical updates for CRS reporters and digital service providers.

QC 101748

## CRS circumvention schemes

Financial institutions to consider OECD's analysis of CBI/RBI schemes.

**Published** 30 April 2024

## Residence and Citizenship by Investment Schemes

The OECD has published the results of its analysis [🔗](#) of over 100 Residence by investment (RBI) and Citizenship by investment (CBI) schemes offered by CRS-committed jurisdictions, identifying schemes that potentially pose a high-risk to the integrity of CRS.

CBI/RBI schemes are being offered by a substantial number of jurisdictions allowing individuals to obtain citizenship or residence rights based on local investments or against a flat fee. These schemes can be misused to hide assets offshore by avoidance reporting under the CRS.

## Guidance for Financial Institutions


Financial Institutions are required to consider the outcome of the OECD's analysis of CBI/RBI schemes when performing their CRS due diligence obligations.

The OECD has published practical guidance that Financial Institutions should consider when performing their CRS due diligence obligations (**Frequently Asked Questions** section [🔗](#) of the OECD's analysis of CBI/RBI schemes). Where there are doubts regarding the tax

residences of a CBI/RBI user, the OECD has provided further questions for Financial Institutions to ask the account holder.

## **Update due diligence procedures**

What Reporting Financial Institutions (RFI) may observe and follow.

1. An RFI may not rely on a self-certification or documentary evidence, if the RFI knows or has reason to know that the CRS self-certification form or documentary evidence is incorrect or unreliable.
2. In making the determination of whether an RFI has reason to know that a CRS self-certification form or documentary evidence is incorrect or unreliable, it should consider all relevant information available to the RFI, including the results of the following CBI/RBI risk analysis undertaken by the [OECD](#) .
3. To the extent that the doubt is related to the fact that the account holder or controlling person is claiming residence in a jurisdiction offering a potentially high-risk CBI/RBI scheme, RFIs may consider raising further questions, including:
  - a. Did you obtain residence rights under an CBI/RBI scheme?
  - b. Do you hold residence rights in any other jurisdictions?
  - c. Have you spent more than 90 days in any other jurisdictions during the previous year?
  - d. In which jurisdiction(s) have you filed personal income tax returns during the previous year?
4. If the facts and circumstances lead the RFI to have reason to know that an account holder or controlling person is claiming tax residency under a CBI/RBI scheme, it should take appropriate measures to determine the jurisdictions of tax residence of such persons.
5. Where it becomes evident to the RFI that the account holder may be a tax resident in another jurisdiction, the RFI should ask the account holder to submit a valid self-certification declaring the correct jurisdictions of tax residence.

QC 101749

## **News updates and how to contact us**

How to subscribe to regular email updates, read latest news on CRS and contact us.

**Last updated** 30 April 2024

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To receive the latest CRS news and information, subscribe to our CRS stakeholder group. You can email [CRS@ato.gov.au](mailto:CRS@ato.gov.au) with your contact details.

If you have further questions on CRS, email [CRS@ato.gov.au](mailto:CRS@ato.gov.au).

## **Latest CRS news and updates**

### **TIN checking tool for European countries**

The European Commission (EU) have developed a European TIN Portal allowing entities to verify a structure of a Tax Identification Number (TIN) issued by most European countries.

We recommend Reporting Financial Institutions (RFI) use this tool to verify foreign TINs as part of their due diligence CRS obligations. For more information and instructions on how to use the EU TIN Portal, see EU TIN online check module [🔗](#).

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