

Japan tax alert

Ernst & Young Tax Co.

Latest CRS and FATCA updates

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As more countries begin adoption of OECD's Common Reporting Standard ("CRS"), compliance requirements continue to evolve and change. EY has developed an online tool which captures, summarizes, and provides links to updated source information for clients who wish to keep up to date on latest developments for CRS as well as FATCA.

Key benefits of this tool include:

- Daily newsfeed updates of CRS and FATCA developments and changes to regulations globally
- Analysis of CRS and FATCA regulations and guidance, in an easy-to read format

Recent CRS and FATCA developments for select countries are summarized as follows:

UK

- **Update to countries committing to automatically exchange beneficial ownership information**
On 20 June 2016, HMRC updated the list of countries committed to automatically exchange information on beneficial ownership (India added on

8 June 2016, and Colombia added on 20 June 2016).

- ▶ **CDOT Alternative Reporting Regime for Bermuda**
On 13 June 2016, HMRC announced that Bermudan financial institutions are required to submit reporting directly to HMRC under the Alternative Reporting Regime by 30 September 2016 for the April 2015 tax year, and by 30 September 2017 for the April 2016 tax year.
- ▶ **HMRC extends due diligence deadline for preexisting accounts under FATCA and CDOT**
On 11 May 2016, HMRC confirmed the extension of the deadline for due diligence on preexisting entities and preexisting low-value individuals to 31 December 2016.
- ▶ **HMRC clarifies treatment for undocumented entity accounts**
On 11 May 2016, HMRC clarified that undocumented entity accounts will be treated as passive NFFEs, requiring further due diligence to identify controlling persons.

US

- ▶ **Notification to update contact information in FATCA online registration system**
On 19 July 2016, the IRS informed FATCA users to update their latest contact information on the FATCA online registration system to ensure that users receive timely system notifications.
- ▶ **FATCA XML schema v.2.0 draft available**
On 3 June 2016, the IRS published draft version of FATCA XML schema v.2.0 which comes into effect from 1 January 2017 and will replace the older schema (v1.1). Key changes in v.2.0 include new string definitions and new elements for nil reporting, closed accounts, and filer categories.
- ▶ **FATCA IDES Technical FAQs updated**
On 27 May 2015, the IRS updated the FATCA IDES Technical FAQs focusing on data encryption and security.

Canada

- ▶ **FATCA FAQs updated**
On 23 June 2016, the Canadian tax authorities updated

the FAQs related to CRS and FATCA.

Cayman Islands

- ▶ **Updated version of AEOI Portal User Guide published**
On 7 July 2016, the Cayman tax authorities issued an updated version of the AEOI Portal User Guide (v.2.0) providing guidance for FATCA and CDOT reporting procedures
- ▶ **Reporting deadline for FATCA and CDOT extended**
On 8 June 2016, the Cayman tax authorities announced the extension of the soft enforcement due dates for notification and reporting under FATCA and CDOT to 10 August 2016, which will be the final extension.
- ▶ **Updated version of the AEOI Portal User Guide published**
On 26 May 2016, the Cayman authorities issued an updated version of the AEOI Portal User Guide (v.2.0).

Mexico

- ▶ **FATCA reporting deadline extended**
On 1 July 2016, the Mexican tax authorities postponed the deadline for submission of 2015 FATCA reporting files to 15 August 2016.
- ▶ **XML reporting schema published**
On 14 June 2016, the Mexican tax authorities published the XML User Guide for generating CRS reporting for 2017.
- ▶ **Nil reporting procedure released**
On 1 June 2016, the Mexican tax authorities released procedures for nil return submission under FATCA. The nil report is required to be in the form of a sworn statement submitted in July 2016 by a legal representative of the financial institution.
- ▶ **FATCA guidance released**
In May 2016, the Mexican tax authorities released guidance and clarification for FATCA.

Brazil

- ▶ **FATCA reporting manual updated**
On 25 May 2016, the Brazilian tax authorities released the new version of the FATCA and CRS reporting guidance notes (v.1.0.3).
- ▶ **Reporting deadlines postponed**
On 30 May 2016, the Brazilian tax authorities postponed the reporting deadline to 12 August 2016 for the 2014 reporting year, and the last business day in November 2016 for the 2015 reporting year.

Hong Kong

- ▶ **FATCA FAQs published**
On 22 June 2016, the Hong Kong tax authorities issued an updated version of FATCA FAQs.

Korea

- ▶ **FATCA filing deadline postponed**
On 1 July 2016, the Korean government announced that the FATCA filing due date of 31 July 2016 would be postponed until further notice because the legislation has yet to be ratified by the National Assembly.
- ▶ **CRS reporting format released**
On 16 June 2016, the Korean government issued the Korean reporting format for CRS.

India

- ▶ **FATCA reporting deadline extended for high-value accounts**
On 22 June 2016, the Indian tax authorities announced that the deadline for review of preexisting individual accounts has been extended to 31 December 2016. The timeline for FATCA reporting of preexisting low-value accounts remains 30 June 2016.
- ▶ **Clarification notice issued for FATCA and CRS**
On 26 May 2016, the Indian tax authorities issued a clarification notice for FATCA and CRS, including requirements relating to obtaining TINs, determining account balance/value of custodial accounts, and submitting reports.

Australia

- ▶ **CRS non-reporting financial institutions and excluded accounts published**
On 7 July 2016, a list of non-reporting financial institutions and excluded accounts for CRS was published.
- ▶ **File transfer page modified**
On 10 June 2016, the Australian tax authorities updated its site for testing and submitting FATCA reports.
- ▶ **Guidance for FATCA and CRS released**
On 18 May 2016, the Australian tax authorities updated guidance for FATCA and CRS.

Singapore

- ▶ **Update on reporting encryption**
On 25 May 2016, the Singapore tax authorities announced that starting 9 July 2016, the IDES will require FATCA reporting packets to be prepared using CBC (cipher block chaining) mode, in order to improve the security of the data.

Malaysia

- ▶ **Nil reporting form released**
In May 2016, the Malaysian tax authorities published a nil reporting form on its website.
- ▶ **Updated FATCA reporting guidance**
On 16 May 2016, the Malaysian tax authorities updated their FATCA site, indicating changes to the IDES encryption mode in which data packets encrypted with the electronic code book cipher mode will no longer be accepted from 9 July 2016.
- ▶ **FATCA reporting date extended**
On 15 June 2016, the Malaysian tax authorities announced the extension of the submission date for 2014 and 2015 reportable information under FATCA to 30 June 2017 (which is also the submission deadline for 2016 reportable information).

Vietnam

- ▶ **FATCA agreement comes into effect**
On 20 July 2016, the Vietnamese tax authorities announced that FATCA legislation had been passed and came into effect on 7 July 2016.

For additional information with respect to this alert, please contact the following:

Ernst & Young Tax Co.

Takehiro Furukawa	Executive Director	+81 3 3506 2787	takehiro.furukawa@jp.ey.com
Patrick Hu	Senior Manager	+81 3 3506 2287	patrick.hu@jp.ey.com



@EY_TaxJapan

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