



## ENTITY

# Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS') - Reasonable Explanation Form

**Note:** Please review the Entity Frequently Asked Questions (FAQ's) before completing this form.

To: AIB

I understand that AIB, in accordance with the Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS'), is required to obtain a reasonable explanation and supporting documentation to support the validity of the tax certification provided.

I confirm that \_\_\_\_\_ is tax resident in \_\_\_\_\_ and I provide the following explanation as to why there is a difference between the country(ies) of tax residence stated on the tax certification form completed on behalf of the entity and other information held by AIB.

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Please ensure that a Certificate of Tax Residence from a relevant tax authority is attached to support the above explanation.

**Note:** If a Reasonable Explanation is required in respect of a Controlling Person of the entity, a separate 'Reasonable Explanation Form for Controlling Persons' should be completed for each Controlling Person.

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Sort code \_\_\_\_\_ Bank Account Number \_\_\_\_\_

Entity Name \_\_\_\_\_

I declare that, to the best of my knowledge and belief, the information I have provided is accurate and complete. I declare that I am authorised to provide this information.

Authorised Signatory \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**Note:** We will review your explanation and will advise you if any additional information is required.

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Once completed, please return this form and Certificate of Tax Residence to the following address:

**Tax Operations, AIB, 3rd Floor, Unit 33, Blackthorn Road, Sandyford, Dublin 18**

# FREQUENTLY ASKED QUESTIONS

## Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

### 1. What is FATCA?

FATCA is a legal framework which requires AIB to report details of financial accounts held by US Persons (individuals / entities) to the Irish Revenue on an annual basis who will then exchange this information with the US tax authorities.

### 2. What is CRS?

CRS is a legal framework which requires AIB to report details of financial accounts held by reportable individuals and entities (i.e. customers who are not tax resident in the Republic of Ireland or the US) to the Irish Revenue on an annual basis who may then exchange this information with tax authorities in relevant jurisdictions.

### 3. What is the impact of FATCA and CRS for you?

AIB will be required to undertake the following additional steps in relation to customers opening a new account:

- obtain a tax certification from the entity which enables the bank to determine (a) the entities residence for tax purposes, (b) the entities classification for FATCA and CRS and (c) in certain cases whether the controlling persons of the entity are US citizens and/or tax resident in a reportable jurisdiction;
- confirm the reasonableness of the tax certification based on other information that we hold in relation to the entity (including its controlling persons);
- where there is a conflict between the tax certification and other customer information that we have on file, we will require a reasonable explanation and documentation supporting the reasonableness of the tax certification provided at account opening (refer to Q4/5) or alternatively a revised tax certification. An example of such a conflict would be if the entity is certified as Irish tax resident but it has a UK mailing address;
- if customers do not provide all of the information requested we will not be able to proceed with opening the new account until the relevant information is provided.
- Further information is available on the Irish Revenue website at <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-03-24.pdf>.

### 4. What is a reasonable explanation?

In certain cases where there is a conflict between the tax certification provided by a customer and other information that we have on file, AIB is obliged to request a reasonable explanation and documentation supporting the reasonableness of the tax certification provided.

The explanation required will depend on the specific circumstances of each customer. It should explain why the authorised signatory is satisfied that the entity is tax resident in the country provided in the tax certification completed at account opening. It should also include a detailed explanation as to why there is a difference between the country of tax residence included on the tax certification and other information held by AIB.

If the conflict relates to the controlling persons of the entity please refer to the controlling persons Frequently Asked Questions.

## 5. What documentation should be provided to support the reasonable explanation?

To support the reasonable explanation provided with regards to the tax residency status of the entity (refer to Q4), customers will be required to submit a Certificate of Tax Residence issued by the relevant tax authority.

Irish tax resident entities can request a “Letter of Residence” from Irish Revenue via ROS.

## 6. How should you determine the entities country(ies) of tax residence?

AIB is unable to offer tax advice. You should contact your tax advisor or consult the Revenue’s website at <https://www.revenue.ie/en/companies-and-charities/corporation-tax-for-companies/corporation-tax/company-residency-rules.aspx> for further details.

An overview of the tax residency rules of countries participating in CRS can be found at: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency>.

## 7. Do you need to provide a Tax Identification Number (‘TIN’) for the entity?

AIB is required to collect a TIN for any entity that is tax resident outside the Republic of Ireland. Except in the limited circumstances where an entity is tax resident in a jurisdiction that does not issue TIN’s, we may not be able to proceed with opening the new account until a TIN has been provided. In certain cases we may also be required to collect a TIN for any controlling persons tax resident outside the Republic of Ireland. Further information on TIN’s is available at: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>.

## 8. How should you determine the controlling persons of the entity?

A controlling person is defined as a natural person who exercises control over an entity. Further detail is set out below for each entity type:

### ➤ **Company**

Any individual who ultimately owns or controls 25% or more of the shares in the company. Where no individual owns or controls 25% or more of the shares in the company, any individual who otherwise exercises control of the company through other means e.g. as a result of voting rights. Where no individual meets either of the above tests, the details of the individual who holds the position of senior managing official must be provided.

For the purposes of this form, the senior managing official is the person who exercises executive control over the daily or regular affairs of the company through a senior management position e.g. chief executive officer, chief financial officer, managing or executive director, or president.

### ➤ **Incorporated Society**

Any individual who ultimately owns or controls 25% or more of the shares in the incorporated society. Where no individual owns or controls 25% or more of the shares in the incorporated society, any individual who otherwise exercises control of the incorporated society through other means e.g. as a result of voting rights. Where no individual meets either of the above tests, the details of the individual who holds the position of senior managing official must be provided.

For the purposes of this form, the senior managing official is the person who exercises executive control over the daily or regular affairs of the incorporated society through a senior management position e.g. chief executive officer, chief financial officer, managing or executive director, or president.

➤ **Partnership / Limited Partnership**

Any individual who ultimately owns or controls 25% or more of the capital or profits in the partnership. Where no individual owns or controls 25% or more of the capital or profits in the partnership, any individual who otherwise exercises control of the partnership through other means e.g. as a result of voting rights. Where no individual meets either of the above tests, the details of the individual who holds the position of senior managing partner must be provided.

➤ **Trust**

Controlling persons means any of the following:

- (a) any individual who is entitled to or will in the future be entitled to an interest in the trust property;
- (b) the class of individuals in whose interest the trust is set up;
- (c) the settlor;
- (d) the trustee(s);
- (e) the protector (if any);
- (f) any other person exercising ultimate effective control over the trust (including through a chain of control/ownership) e.g. power to lend/invest trust property; vary the trust or add/remove a beneficiary/trustee.

➤ **Unincorporated Entity (e.g. Association, Society, Club/Charity) Society, Club/Charity)**

Any individual who ultimately owns, controls or benefits from 25% or more of the property of the unincorporated entity. Where no individual owns, controls or benefits from 25% or more of the property of the unincorporated entity, any individual who otherwise exercises control of the unincorporated entity through other means e.g. as a result of voting rights. Where no individual meets either of the above tests, the details of the individual who holds the position of senior managing official must be provided.

For the purposes of this form, the senior managing official is the person who exercises executive control over the daily or regular affairs of the unincorporated entity through a senior management position e.g. chief executive officer, chief financial officer, managing or executive director, or president.

**9. How frequently will your business have to provide information to AIB for FATCA / CRS purposes?**

Customers should promptly advise AIB of any change in the tax status of the entity, FATCA and/or CRS entity type classification and/or controlling persons. To the extent that there is a change in the tax information of the entity, we may be required to contact the authorised signatory to provide a new tax certification and/or reasonable explanation form (refer to Q4) in respect of the entity so that we can update the tax information we hold.

**10. What information is reported to Revenue under FATCA / CRS?**

In general, financial institutions must report the following information to Revenue:

- the account holder's name, address, tax classification, country of tax residence and TIN
- the account number
- the account balance or value at year end
- interest paid or credited to the account during the calendar year and
- the name, address, country of tax residence, US citizenship, date and place of birth (where available) and TIN of controlling persons (where applicable)

## **Tax Advice and Disclaimer**

Please note that the information contained in this document is for information purposes only. AIB does not offer tax advice. If you have any questions in relation to FATCA / CRS you should contact your tax advisor or the Irish Revenue at: <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-does-fatca-and-crs-mean-for-an-account-holder.aspx>.

Terms and Conditions apply.

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