



DIFC CRS Briefing

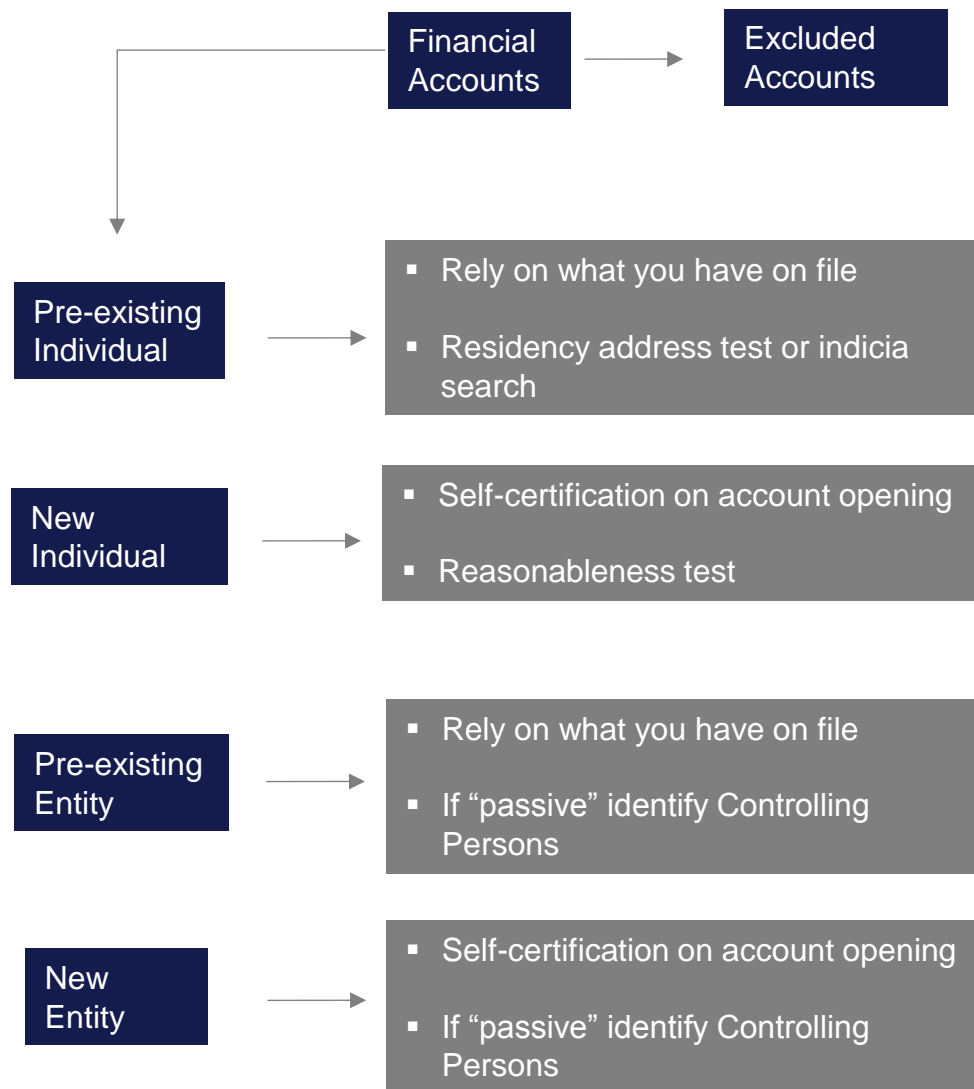
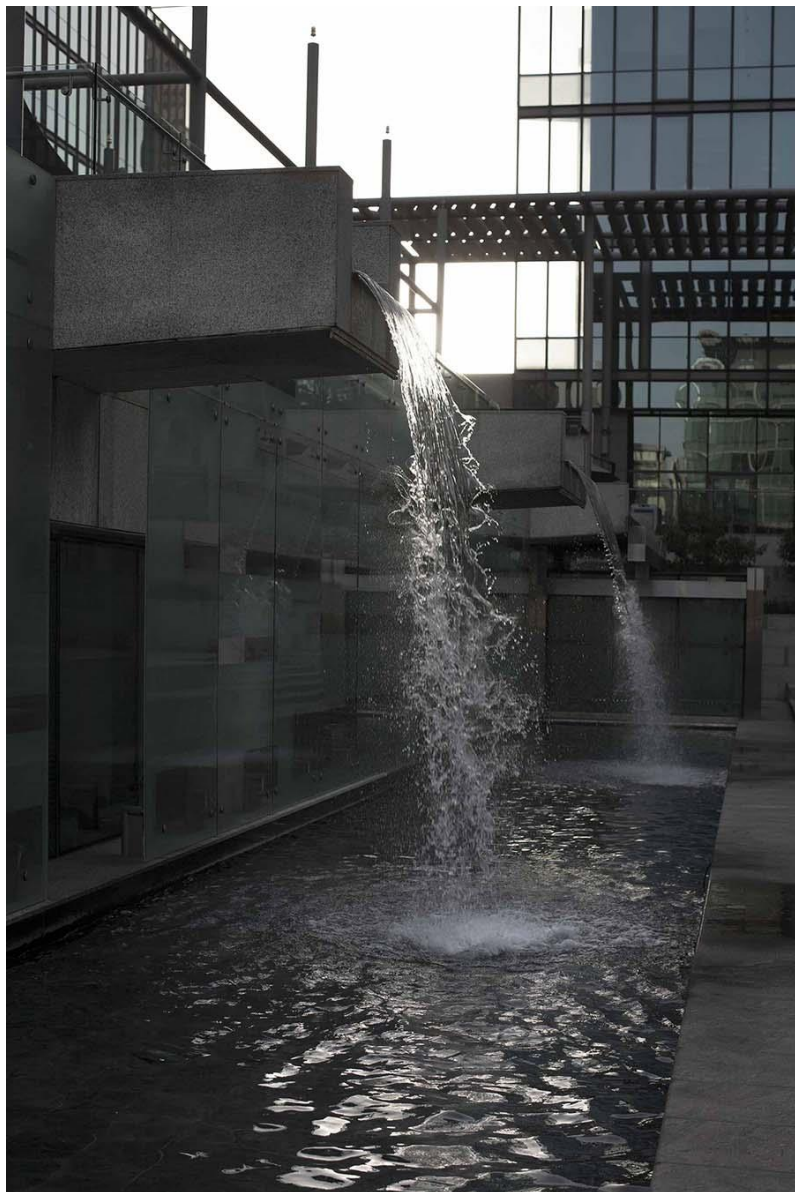
May 2017

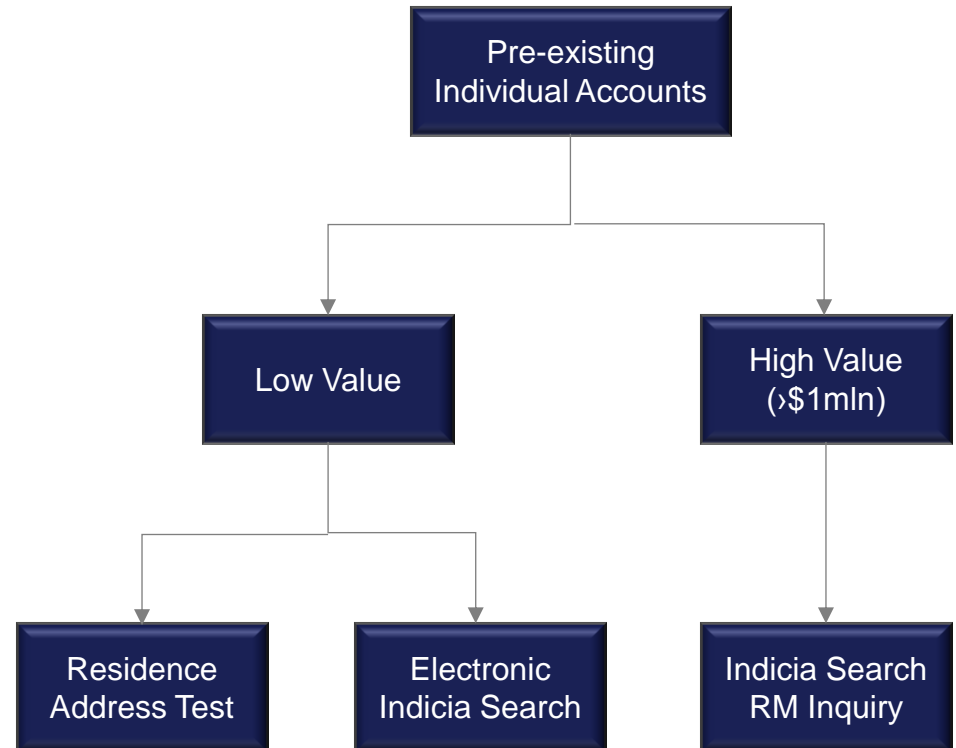


- MAC and MCAA signed (currently undergoing ratification)
- List of Reporting Jurisdictions and Participating Jurisdictions sent to MOFA for approval (these will be updated over time on the MOF website)
- What is the UAE approach on CRS choices and what are the consequences
- The role of MOF and other UAE regulators
- What happens next



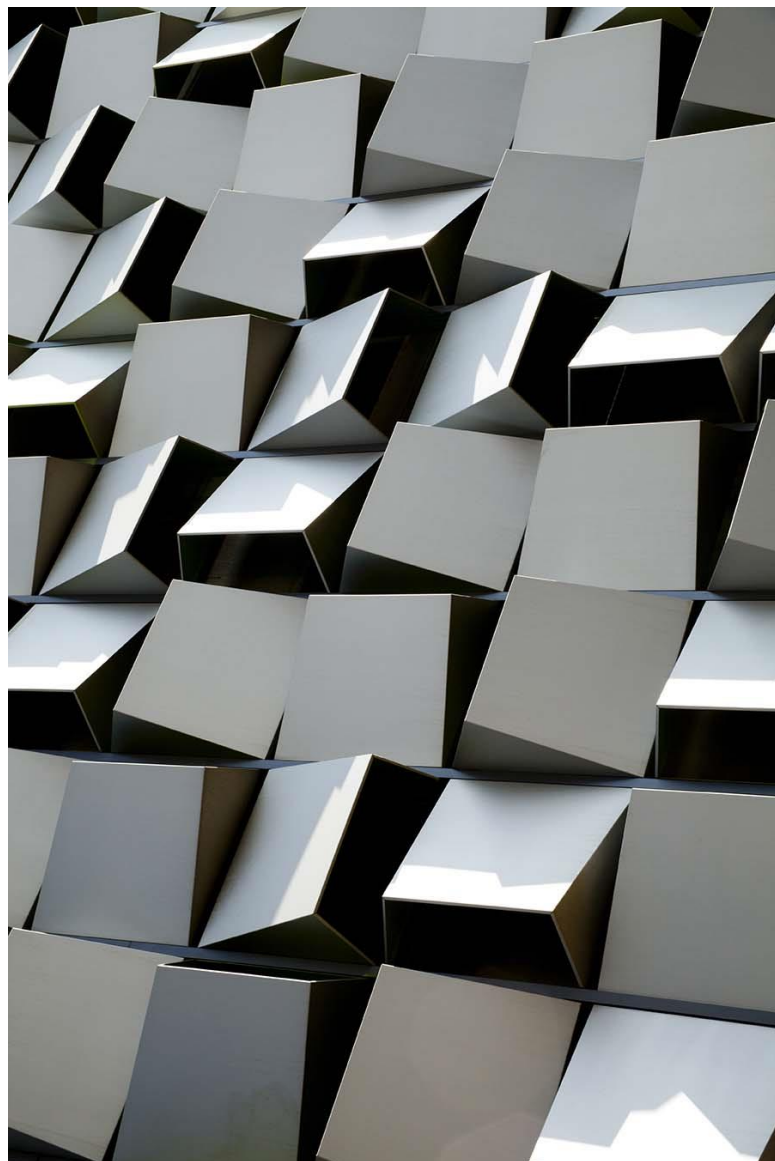
- Who is the DIFC Regulatory Authority for CRS and what is the role of the DFSA
- The status of OECD publications and materials
- Collection and reporting obligations
- Powers of inspection and investigation
- Penalties (see Schedule 1)
- Effective dates
 - 1 January 2018 (first reporting June)
 - 31 December 2016 for pre-existing accounts
 - 1 January 2017 for new accounts







- Valid self-certification on tax residency (flexible process but content is not)
- Must be signed/ positively affirmed, dated and include:
 - Name
 - Residence address
 - Jurisdiction(s) or residence for tax purposes
 - TIN(s)
 - Date of birth
- Reasonableness test:
 - The self-certification must be compared to other information obtained (AML/KYC)
 - If unreliable/ discrepancies you need to obtain new self-certification or a reasonable explanation/ documentation



First Process:

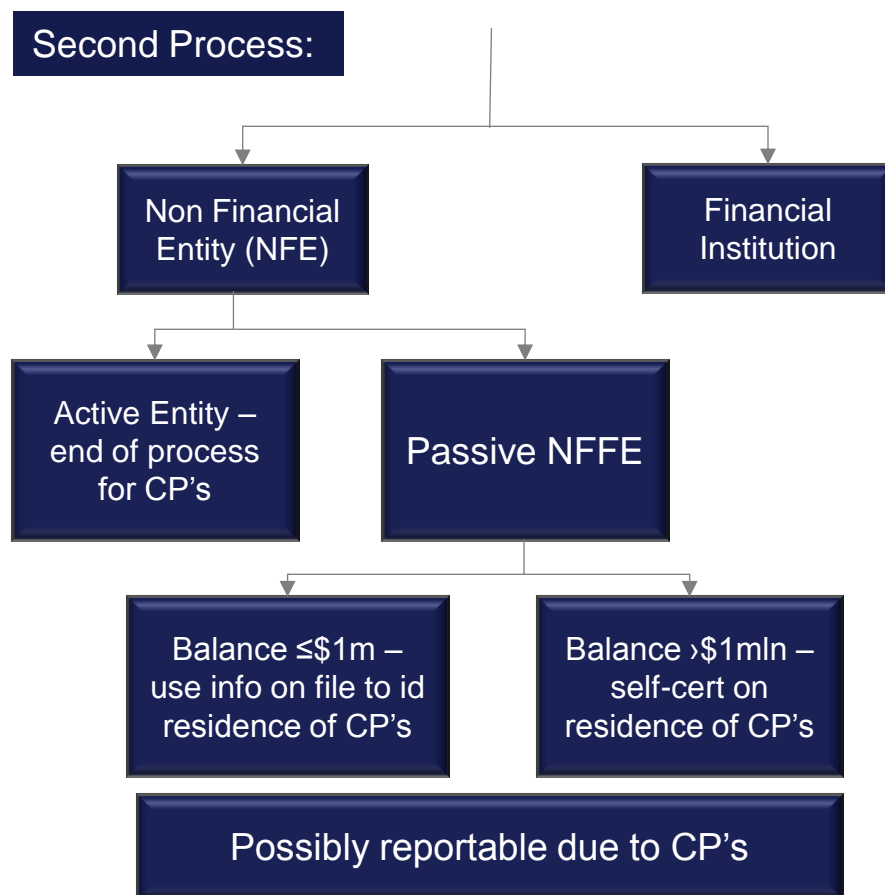
Pre-existing
Entity Accounts

Exempt if
≤\$250k

Examine info
on file/ obtain
self-
certification

Possibly reportable
due to Entity
Account Holder

- Unless based on public information/ in FI's possession it is established the Entity is not a Reportable Person, a valid self-certification needs to be obtained to establish tax residency (remember reasonableness test)
- It must be signed/ positively affirmed, dated and include:
 - Name, address, tax residence, TIN(s)
- If the Account Holder is a Passive NFE (process 2)



- To establish whether an Account Holder is a Passive NFFE the FI may use:
 - Information in its possession
 - Information that is publicly available
- To establish a CP's status an FI may use self-certification by the CP or Entity Account Holder

No	Contravention	Penalty
1.1	A Reporting Financial Institution signs or otherwise positively affirms a false self-certification	AED 25,000
1.2	A Reporting Financial Institution fails to keep records of the due diligence procedures performed under the Regulations, or fails to keep them for a period of six (6) years pursuant to the requirements of the Regulations.	AED 10,000
1.3	A Reporting Financial Institution fails to apply the due diligence procedures specified in Schedule 1, Section II through to Section VII in Schedule 1.	AED 25,000
1.4	A Reporting Financial Institution fails to report the information required to be reported in terms of these Regulation.	AED 10,000 Plus AED 500 for every day the failure continues up to a maximum penalty of AED 100,000
1.5	A Reporting Financial Institution fails to report the information required to be reported in terms of these Regulation in a complete and accurate manner.	<u>Minor non-compliance:</u> AED 1,000 plus AED 100 for every day the failure continues up to a maximum penalty of AED 25,000 <u>Significant non-compliance</u> AED 250,000
1.6	Penalties that remain outstanding for a period of longer than thirty (30) days, or a Reporting Financial Institution fails to perform an action ordered by the Regulatory Authority for a period of longer than thirty (30) days, as the case may be, the Regulatory Authority may serve further default notices in accordance with these Regulations on the said Reporting Financial Institution imposing with each successive notice double the amount of the said penalties, provided that each such successive note shall supersede the previous notice served on the Reporting Financial Institution for the same default but any payment made in respect of that previous notice shall be taken into account accordingly.	Double the amount of the previous penalty, provided that such penalties for each contravention shall not exceed an aggregate amount of AED 250,000



Thank you