

## Individuals

# Automatic Exchange of Information

### What is Automatic Exchange of Information

UK Banks are obliged to regularly report information on certain clients to Her Majesty's Revenue & Customs (HMRC). There are a number of Automatic Exchange of Information (AEOI) regimes under which Coutts is obliged to report client data to HMRC, who exchange this with tax authorities overseas. These regimes include FATCA and CRS.

FATCA (Foreign Account Tax Compliance Act) was introduced by the United States (US) in 2010 as part of the HIRE Act, with the purpose of reducing tax evasion by US Persons. For UK banks, FATCA came into effect from 1st July 2014 and requires Coutts to undertake additional client due diligence and report certain information on Financial Accounts held by our US clients.

CRS (Common Reporting Standard) was introduced by the Organisation for Economic Co-operation and Development (OECD) and is a significant expansion of FATCA. Under CRS, Coutts is obliged to identify and report information to HMRC on any person resident in a Reportable Jurisdiction. As at 1st January 2016 there were over 50 Reportable Jurisdictions (including the EU, and a number of the UK overseas territories). A full list of these countries is available from the OECD website.

### How does Automatic Exchange of Information impact you

If you are opening a new account with us we are obliged to ask you to declare your tax residence(s) to us, and provide us with your tax number(s). In the event that you are tax resident in more than one country, we are required to obtain details of each.

If you already hold an account with us, or notify us of a change in your information, we are required to review your account details. In certain circumstances we may need to obtain a statement of tax residence (Self Certification) from you, so that we can establish whether you are tax resident in a Reportable Jurisdiction. For FATCA, a Reportable Jurisdiction means the US, for CRS a Reportable Jurisdiction is one listed by HMRC as a Reportable Jurisdiction. If you declare that you are a US Person, an Internal Revenue Service (IRS) form W-9 must also be completed. The information we are required to act upon can include:

1. Residence in a Reportable Jurisdiction
2. US country of birth (FATCA only)
3. Mailing or correspondence address in a Reportable Jurisdiction (including a PO box or in-care-of address)
4. Telephone number in a Reportable Jurisdiction
5. Power of Attorney or signatory authority granted to a person in a Reportable Jurisdiction
6. Standing instructions (such as standing order) to pay funds to an account in a Reportable Jurisdiction
7. Hold mail, or in-care-of address as the only address held for the account.

If any of this information is present but your Self Certification confirms that you are not resident in a Reportable Jurisdiction, we may also need additional documentation supporting nonreportable status, such as a copy of your passport.

If you have an entity account with us, or are looking to open an entity account, under AEOI we are also required to obtain FATCA and CRS Entity Classifications. An Automatic Exchange of Information leaflet for entities is available to help you understand this process and the information we require.

# Individuals

## What Coutts has to Report

For a Reportable Person, Coutts is obliged to annually report certain account information to HMRC, based on details at the previous calendar year-end. HMRC will exchange this information with the appropriate tax authority (eg the IRS for US Persons). Coutts is also obliged to report if an account holder does not provide enough information to confirm they are not a Reportable Person (for example, they provide a correspondence address in a Reportable Jurisdiction but do not provide confirmation of their tax residence).

The details we are obliged to report include:

- Name and address of the account holder;
- Tax number or date of birth of the account holder; and
- Account number(s), total balance(s) or value(s), and income received on your account during the year (such as interest).
- Gross proceeds from the sale of certain assets.

## Frequently Asked Questions

### Who is a US Person?

You are considered a US Person for tax purposes if you are a US citizen, or a resident (alien) of the US under the 'green card' or the 'substantial presence' test. Being the spouse of a US Person does not make you a US Person if you are otherwise not a US Person.

### Who is a Reportable Person for CRS?

For CRS you are a Reportable Person if you confirm you are tax resident in a Reportable Jurisdiction, or if you provide us with information indicating you may be in a Reportable Jurisdiction, and you do not confirm otherwise.

### I am a Reportable Person. What does it mean for me?

We are obliged under UK law to report certain account information of Reportable Persons to HMRC. HMRC will in turn, transmit this data onwards to the tax authority in your country or countries of tax residence (where they are Reportable Jurisdictions).

## What happens if I do not fully comply with AEOI requests?

In the UK, if account holders do not comply with AEOI information requests from us, we will be obliged to report their account details to HMRC. Under FATCA there is also the potential deduction of a 30% withholding tax from US sourced income.

## Why must Coutts comply with AEOI regimes such as FATCA and CRS?

Coutts is a tax compliant bank and will only deal with clients who have similarly fulfilled all of their tax obligations. If Coutts does not comply we will be subject to HMRC tax penalties. Under FATCA, we may also be deemed non-compliant, in which case we will be subject to a 30% withholding tax on all US sourced income due to us or our clients.

## Learn more about AEOI

Her Majesty's Revenue & Customs (HMRC)  
<https://www.gov.uk/guidance/automatic-exchange-of-information-introduction>

## Learn more about FATCA

US Internal Revenue Service (IRS) <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>

## Learn more about CRS

The Organisation for Economic Co-operation and Development (OECD) <http://www.oecd.org/ctp/exchange-of-tax-information/standard-forautomatic-exchange-of-financial-information-in-tax-matters.htm>

## Important information

This document is based on our understanding of the current tax law and practice and is not intended to constitute definitive tax advice.

If you would like this document in another format such as Braille, large print or audio, please let us know.