

## FSC/FPA Industry Guidance (being FSC Guidance Note No. 24)

# Managing AML/CTF, FATCA and CRS Customer Identification Obligations

**19 May 2017**

<b>FSC/FPA Membership this Guidance Note is most relevant to:</b>	This Guidance Note is particularly relevant to financial advisers /advice licensees (financial advisers) and product issuers/product manufacturers/platform administrators (product issuers).
<b>Date of this version:</b>	19 May 2017
<b>Previous versions</b>	This Guidance Note was first issued in October 2007, and amended in February 2010, December 2012, February and October 2015. (FATCA was first incorporated in this Guidance Note in February 2015 and CRS in 19 May 2017)
<b>Purpose of this Guidance Note:</b>	<p>The purpose of this Guidance Note is to assist in managing customer due diligence obligations under the Anti-Money Laundering and Counter-Terrorism Financing (<b>AML/CTF</b>) Act, the (United States) Foreign Account Tax Compliance Act (<b>FATCA</b>) and the Common Reporting Standard (CRS).</p> <p>This Guidance Note (and associated forms issued with this Guidance Note, including the Customer ID Forms) is not a substitute for legal, tax or other advice and must not be relied on by any person (including any FSC or FPA Member) as legal, tax or other advice in relation to AML/CTF, FATCA, CRS or other laws of any country (including Australia or the US). The Financial Services Council Limited (<b>FSC</b>) and the Financial Planning Association (<b>FPA</b>) make no warranty that this Guidance Note or any associated form meets all relevant AML/CTF, FATCA and CRS obligations.</p> <p>Neither FSC nor FPA accepts any responsibility for any reliance on this document (or the related forms) by any person (including <i>FSC</i> and <i>FPA</i> members). This document is solely intended as a guide to assist <i>FSC</i> and <i>FPA</i> members to implement certain AML/CTF, FATCA and CRS obligations, having obtained their own professional (legal, tax or other) advice.</p>

<b>ANNEXURE 1</b>	Frequently Asked Questions for Product Issuers and Financial Advisers
<b>ANNEXURE 2</b>	ID Terminology for Product Issuers and Financial Advisers
<b>ANNEXURE 3</b>	Tax Classifications for Product Issuers ONLY
<b>ANNEXURE 4</b>	List of Forms issued with this Guidance Note

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## 1. TITLE

- 1.1 This Guidance Note may be cited as FSC/FPA Guidance Note No. 24 *Managing AML/CTF, FATCA and CRS Customer Identification Obligations*.

## 2. VERSION HISTORY AND DATE OF ISSUE

- 2.1 This Guidance Note was initially approved for issue in October 2007 as FSC/FPA Guidance Note No. 24 *Managing mutual obligations under Chapter 7 of the Anti-Money Laundering and Counter-Terrorism Financing Rules*.
- 2.2 This Guidance Note was amended in February 2010 (to include the Verifying Officers Identification Form) and in December 2012 (following a more general update). It was also amended in February 2015 to include FATCA requirements, and in October 2015 to reflect amendments to the AUSTRAC customer due diligence (**CDD**) requirements commencing 1 June 2014, relating to Beneficial Owners. These CDD amendments were made the subject of Policy Principles (the *Policy (Additional Customer Due Diligence Requirements) Principles 2014*, issued May 2014) (the **CDD Amendment Policy Principles**) issued by the Minister for Justice under section 213 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*. Under the CDD Amendment Policy Principles transitional relief for the new Beneficial Owner requirements was available *during the period 1 June 2014 to 31 December 2015*, subject to certain conditions. This Guidance Note was most recently updated in 19 May 2017 to include CRS requirements.
- 2.3 The current version of this FSC/FPA Guidance Note was issued on 19 May 2017.

## 3. INTRODUCTION

- 3.1 This Guidance Note aims to encourage the use of a common set of processes and procedures by FSC and FPA members to perform a customer identification / due diligence procedure that meets AML/CTF, FATCA and CRS requirements.
- 3.2 Australia's AML/CTF regime is implemented under the AML/CTF Act 2006 and the associated AML/CTF Rules Instrument (the **AML/CTF Rules**). Chapter 4 of the AML/CTF Rules sets out requirements for performing an applicable customer identification procedure prior to providing a Designated Service<sup>1</sup> to a customer.
- 3.3 The AML/CTF Act applies to any person providing a Designated Service (Reporting Entities), and generally applies to both financial advisers and product issuers. To avoid duplication of AML/CTF obligations, Chapter 7 of the AML/CTF Rules provides that where an applicable customer identification procedure has been conducted by a financial adviser (an Australian Financial Services Licence (AFSL) holder and an authorised representative as defined in the Corporations Act), it can be deemed to have been conducted by another entity in certain circumstances. These circumstances are specifically where a financial adviser is arranging for a customer to receive a Designated Service that is a Financial Product as defined in the Corporations Act<sup>2</sup> from another Reporting Entity. Chapter 7 allows a product issuer to rely on an applicable customer identification procedure performed by a financial adviser and has the effect of removing potential duplication of customer identification procedures.

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<sup>1</sup> Designated Service is defined in Section 6 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

<sup>2</sup> AUSTRAC Public Legal Interpretation No. 2 of 2008 – Item 54 of table 1 in section 6 of the AML/CTF Act.

- 3.4 The Australian *Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014* gives effect to the FATCA intergovernmental agreement signed by the Governments of Australian and United States on 28 April 2014. This Act and the intergovernmental agreement set out obligations for Reporting Australian Financial Institutions (as defined in the intergovernmental agreement) to perform due diligence on customers and report on reportable accounts.
- 3.5 The Australian Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 gives effect to Australia's commitment to implement the 'Common Standard on Reporting and Due Diligence for Financial Account Information', as developed and approved by the Organisation for Economic Co-operation and Development (OECD). Similar to FATCA, CRS requires Reporting Australian Financial Institutions to perform due diligence on customers and report on reportable accounts. While FATCA is focused on US taxpayers, Australia's application of CRS has adopted a 'wider approach', requiring the reporting of certain account information relating to all non-Australian taxpayers.
- 3.6 FATCA and CRS are designed to facilitate the automatic exchange of information between participating jurisdictions, specifically the exchange of taxpayer information relating to taxpayers who may be tax residents of these jurisdictions. Additional information on FATCA and CRS is provided in the form of frequently asked questions in **ANNEXURE 1** of this Guidance Note.
- 3.7 This Guidance Note does not seek to identify Reporting Entities that are subject to AML/CTF, or Reporting Australian Financial Institutions that are subject to FATCA or CRS. The intent of the Guidance Note is to rather set out AML/CTF, FATCA and CRS compliant customer identification procedures that should be used when a financial adviser arranges for a customer to receive a Designated Service from a product issuer. The procedures set out in this Guidance Note are aimed at eliminating duplication of customer identification procedures and avoiding delays to the customer on-boarding process.
- 3.8 In terms of money laundering / terrorism financing (ML/TF) risk, these guidelines are primarily intended to satisfy the minimum standards for applicable customer identification procedures as set out in the safe harbour provisions in chapter 4 of the AML/CTF Rules. Depending on the product issuer's assessment of the ML/TF risk of a customer or financial adviser, or in accordance with the procedures of the product issuer, a higher standard of customer identification may be required.
- 3.9 Product issuer use of the identification procedures set out in this Guidance Note is encouraged, however is at the discretion of the product issuer. In all cases, financial advisers arranging for a customer to receive a Designated Service from a product issuer should refer to a product issuer's application forms and confirm whether the product issuer has adopted the identification procedures set out in this Guidance Note and the associated ID Forms.
- 3.10 Where a party has acted in good faith in attempting to comply with this Guidance Note, the Guidance Note does not create any contractual or other liability between financial advisers and product issuers to which the Guidance Note applies (unless a prior agreement has been reached between these parties).<sup>3</sup>

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<sup>3</sup> Note protection from liability under section 235 of the AML/CTF Act in similar circumstances.

- 3.11 **Forms accompanying this Guidance Note:** Ten customer identification forms (**ID Forms**) are issued with this Guidance Note and are listed in paragraph 5.10 of this Guidance Note. In addition, three Tax Status Declaration forms are issued with this Guidance Note and are listed in paragraph 7.4 of this Guidance Note. FSC and FPA do not authorise any changes to be made to any of the forms, other than for the purposes of completing the forms. If a person uses the form but changes any aspect of it (other than for the purposes of completing the forms), such amended form must not be represented as the FSC/FPA form and FSC and FPA do not authorise the use of the FSC/FPA logo, or any attribution to FSC or FPA, on any such amended form. This approach is required as AML/CTF, FATCA and CRS requirements are complex and whether or not any varied form is consistent with these requirements would require the varied form to be considered in light of these requirements.
- 3.12 **IMPORTANT:** This Guidance Note (and any related forms, including the ID Forms) do not constitute, are not a substitute for, and cannot be relied upon by any person (including any FSC or FPA members) as legal, tax or other advice in relation to AML/CTF, FATCA, CRS or other laws of any country. Neither FSC nor FPA accepts any responsibility for any reliance on this Guidance Note (or the related forms, including the ID Forms) by any person (including FSC or FPA members). This Guidance Note (and the related forms) is solely intended as guidance to assist FSC and FPA members implement AML/CTF, FATCA and CRS customer identification obligations, having obtained their own professional (legal, tax or other) advice.
- 3.13 Product issuers and financial advisers should also take care and seek their own legal advice in relation to privacy and other Australian laws in respect of the collection and use of AML/CTF, FATCA and CRS customer identification information so as to ensure the collection and use of information complies with privacy and other Australian laws.

#### **4. APPLICATION**

- 4.1 This Guidance Note is intended to be used where a financial adviser makes arrangements for a person to receive a Designated Service, that is a Financial Product under the Corporations Act, from another reporting entity (such as a product issuer).
- 4.2 The most common Designated Services covered under this Guidance Note include:
- Arranging for the Customer to obtain or be issued with new or additional interests/units in a managed investment scheme
  - Arranging for the Customer to open or make a deposit in a cash management trust
  - Arranging for the Customer to buy/sell shares/options in a listed company or trust
  - Arranging for the Customer to pay a premium or be issued with an investment life insurance policy
  - Arranging for the Customer to obtain or be issued with an annuity
  - Arranging for the Customer to obtain or be issued with a pension
  - Arranging for the Customer to obtain an interest in or have the ability to transact through a wrap/platform/IDPS
  - Arranging for the Customer to cash out all or part of a superannuation interest.
- 4.3 Where financial advisers provide Designated Services that are not related to making arrangements for a person to receive a Designated Service from another reporting entity, this Guidance Note is not applicable, however financial advisers may still choose to apply the processes and procedures outlined in this Guidance Note to perform an applicable customer identification procedure in these circumstances.

- 4.4 Similarly product issuers may choose to apply the processes and procedures outlined in this Guidance Note in circumstances where a person applies directly with the product issuer to receive a Designated Service (not via a financial adviser). Product issuers should however note that these processes and procedures have been developed to be used by financial advisers familiar with the terminology referred to in this Guidance Note. Additional assistance may be required for persons completing the associated ID Forms (or Tax Status Declaration Forms) who are not familiar with AML/CTF, FATCA and CRS requirements.
- 4.5 Some financial products associated with Designated Services are not subject to FATCA or CRS (such as Superannuation and Pension products). For these products, product issuers may choose whether to collect tax information or not. As the customer identification process is generally completed once for a customer (and not at the time that additional financial products are applied for), the default position is that the tax information section of the relevant ID Form should be completed for all products. Where product issuers specifically request that the tax information NOT be provided for certain products, the tax information section of the relevant ID Form should not be completed.

## 5. NEW CUSTOMER IDENTIFICATION REQUIREMENTS

- 5.1 The applicable customer identification procedures outlined in this Guidance Note must be performed prior to the arranging for a person to receive a Designated Service. This requires that all the relevant customer identification information for the customer be collected and verified prior to any product or Designated Service being provided to the customer.
- 5.2 In September 2016, AUSTRAC amended the AML/CTF Rules to allow that customer identification information be collected from sources other than the customer<sup>4</sup>. This Guidance Note recognises this amendment and considers that financial advisers may collect information about a customer from sources other than the customer (subject to any directions from product issuers). It should, however, be noted that customer identification information that is to be verified must not be verified from the same source that it is collected (such as an ASIC register).
- 5.3 Tax information collected in an ID Form serves as a customer's self-certification of their tax status. Contrary to other customer identification information, tax information must be collected **FROM** the customer or their authorised representative. Tax information must be collected prior to an account being opened for the customer.
- 5.4 Each client must declare their country (or countries) of tax residence. Where they have a country of tax residence other than Australia they must supply for each country, the Tax Identification Number (TIN) for that country OR select one of three valid reasons for not providing a TIN.

NOTE: where the client declares Australia as their country of tax residence their TFN **must not** be captured within the Tax Information section of the relevant AML/CTF form. This is due to Australian TFN requirements.

- 5.5 Irrespective of the actual customer identification procedure conducted, the person conducting the procedure must be reasonably satisfied that the customer is the individual/entity he or she claims to be.

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<sup>4</sup> Anti-Money Laundering and Counter-Terrorism Financing Rules Amendment Instrument 2016 (No. 1)

- 5.6 If, after a financial adviser conducts a customer identification procedure, they are not reasonably satisfied that the customer is the individual/entity he or she claims to be, and the financial adviser is unable to conduct a further customer identification procedure to address this doubt, then they should not arrange for the provision of the financial service or product.
- 5.7 In addition, where a financial adviser is not reasonably satisfied that the customer is the individual/entity he or she claims to be, the financial adviser should refer to their AML Program to determine whether any AUSTRAC reporting requirements apply and notify their AFS Licensee (if acting as an Authorised Representative) as soon as possible (preferably within 24 hours) of any instances where they are not reasonably satisfied that the customer is the individual/entity that he or she claims to be.
- 5.8 If a financial adviser has any reason to believe that any of the customer identification information provided in an ID Form is not true or correct, or consistent with the customer's circumstances (including the customer's tax information), the financial adviser must inform the product issuer of this view via their normal communication channel.
- Example: If the customer does not declare that they are a taxpayer of a country other than Australia, but the financial adviser has knowledge or information that the customer is or may be a taxpayer of a country other than Australia, then the adviser has a reason to believe that the client's documentation is untrue, incorrect, and/or inconsistent with the client's circumstances, and must inform the product issuer of this view.
- 5.9 In the absence of any specific knowledge of the financial adviser, non-disclosure of information or documents by the customer is not necessarily a reason to believe that the customer's identification information is untrue, incorrect, or inconsistent with the client's circumstances (including the customer's tax information).
- 5.10 Inconsistent customer identification and tax information may give rise to additional due diligence requirements from a product issuer relating to the customer's tax status.

### **Customer ID Forms**

- 5.11 An applicable customer identification procedure should be carried out in accordance with the instructions provided in the ID Form applicable to the type of customer and for any applicable related parties (such as Corporate Trustees of Unregulated Trusts or Beneficial Owners of customers):
- **Schedule 1:** Individuals & Sole Traders
  - **Schedule 2:** Australian Companies
  - **Schedule 3:** Foreign Companies
  - **Schedule 4:** Australian Regulated Trusts
  - **Schedule 5:** Unregulated Australian Trusts & Foreign Trusts
  - **Schedule 6:** Partnerships & Partners
  - **Schedule 7:** Associations
  - **Schedule 8:** Registered co-operatives
  - **Schedule 9:** Government bodies
  - **Schedule 10:** Verifying Officer.
- 5.12 Beneficial Owners of customers are considered to be the **individuals** who ultimately own or control (directly or indirectly) the customer. Additional guidance to assist identify the Beneficial Owners of each type of customer are included in the Schedules (i.e. the Customer

ID Forms) above. For customers who are individuals, the customer can be assumed to be the Beneficial Owner, unless there are reasonable grounds to consider otherwise. Additional guidance on the identification of Beneficial Owners is provided in AUSTRAC's Compliance Guide.

- 5.13 Requirements to perform an applicable customer identification procedure for Beneficial Owners commenced on 1 June 2014, with Policy Principles allowing a transitional approach for Reporting Entities up to 31 December 2015 (subject to certain conditions).
- 5.14 Customers are not required to sign the above ID Forms. Customers are generally required to sign a product application form associated with a product offering document. Product issuers should therefore consider including any declarations required from customers in relation to these ID Forms via product applications forms. This should include a declaration that the information provided in any customer ID Form accompanying the application form (or product offering document) is true and correct and appropriately reflects their tax status.
- 5.15 Where a product issuer has agreements in place with financial advisers and does not require completed ID Forms to be provided at account opening, requirements to collect and assess tax identification information should be outlined in these agreements.

#### **Tax Information**

- 5.16 Additional information about the tax identification information collected in these ID Forms and terminology is provided in **ANNEXURE 2** of this Guidance Note – ID FORM TERMINOLOGY. This Annexure is designed primarily to support financial advisers collect FATCA and CRS identification information.
- 5.17 This Guidance Note sets out that FATCA customer information will be collected in the accompanying ID Forms rather than via the US Inland Revenue Service (IRS) W8 or W9 form.

#### **No Adviser Record of Verification**

- 5.18 Where the Record of Verification section of the ID Form is not completed, certified copies of the customer's identification documentation must be provided with the associated ID Form. In these circumstances, both the financial adviser and the product issuer are responsible for verifying the customer's identification information to meet their respective AML/CTF obligations. The product issuer is responsible for assessing the reasonableness of the customer's tax information provided.

#### **Adviser Record of Verification**

- 5.19 Where an adviser Record of Verification is provided by a financial adviser in an ID Form, the adviser is responsible for verifying the customer's identification information and listing the details of the identification documentation reviewed as part of the verification procedure.
- 5.20 The declaration in the adviser Record of Verification confirms that an identity verification procedure has been performed in accordance with the AML/CTF Rules, by a person in the capacity of an AFSL licence holder or their authorised representative.
- 5.21 This declaration also confirms that the tax information provided is "reasonable" considering the identification documentation sighted as part of the identification procedure. The reasonableness check is met if the adviser has no reason to know from the information

obtained that the declaration of tax residency is incorrect or unreliable. Examples of reasonable and unreasonable tax information are provided below:

- a certification that a customer is not a taxpayer of a country other than Australia would be reasonable if the customer provides an Australian address and an Australian identification document (such as an Australian passport or a NSW drivers licence)
- a certification that a customer is not a taxpayer of a country other than Australia would NOT be reasonable if the customer provides an address located in another country or an identity document reflecting a residential address in a country other than Australia
- a certification that a customer is not a taxpayer of a country other than Australia would NOT be reasonable if the customer provides any identification documentation that indicates that they were born in the US (they are likely to be a US taxpayer)
- a certification that a customer is not a taxpayer of a country other than Australia would be reasonable if the customer provides corporate documentation for an entity with a place of incorporation/establishment in Australia.
- a certification that a customer is not a taxpayer of a country other than Australia would NOT be reasonable if the customer provides corporate documentation for an entity with a place of incorporation/establishment outside of Australia.

If the declared country of tax residency appears unreasonable (eg a foreign address is provided with no matching certification of tax residency in that country) the Adviser should make reasonable enquiries as to the reason for this. The adviser should note the enquiries made and any explanation given by the client so this information can be provided to a product provider on request.

- 5.22 The adviser Record of Verification declaration does not fully discharge the product issuer's obligation to perform a reasonableness check, and a product issuer may request confirmation from an adviser in the event that the information provided does not appear to be reasonable.

#### **English Translations**

- 5.23 Where an identity document used to verify a customer's identity is in a language other than English, it is to be accompanied by an English translation prepared by an accredited translator. An accredited translator is defined in the AML/CTF Rules as person currently accredited by the National Accreditation Authority for Translators and Interpreters Ltd. (NAATI) at the level of Professional Translator, or above, to translate from a language other than English into English; or a person who currently holds an accreditation that is consistent with this standard.

#### **Customer identification procedure to be applied where a procedure outlined in the relevant Schedule (that is, the relevant ID Form) is unable to be conducted**

- 5.24 In the event that a customer identification procedure as specified in a Schedule (that is, the relevant ID Forms referred to in paragraph 5.10) is unable to be conducted, the financial adviser should contact the relevant product issuer and conduct a procedure as agreed between that product issuer and the financial adviser in respect of that customer.

#### **Customer identification procedures performed for financial advisers.**

- 5.25 Where a financial adviser's identity is to be verified in the process of arranging a Designated Service (e.g. when a financial adviser is to have authorisation access to a customer's account and the product issuer requires that the financial adviser's identity be verified) then that financial adviser should not complete the verification process on him/herself. In this instance,

the identity verification process should be completed by an alternative approved certifier who has no conflict of interest.

## **6. PRE-COMMENCEMENT OR EXISTING (EXISTING) CUSTOMER<sup>5</sup> IDENTIFICATION REQUIREMENTS**

- 6.1 AML/CTF, FATCA and CRS recognise existing customers and impose alternate identification requirements for these customers. Existing customers of a financial adviser may, however, not be an existing customer of a product issuer and as a result, financial advisers should perform an identification procedure for existing customers when arranging for these customers to receive a Designated Service from a new product issuer.
- 6.2 A customer identification procedure previously performed for a customer can be reused when arranging for subsequent Designated Services to be provided by a different product issuer; provided that the customer identification information has previously been collected and not changed (including Beneficial Ownership, Controlling Person and tax information) and the documents used to verify the customer's identity are still current (as per the requirements of the relevant customer ID Form) at the time of arranging the subsequent Designated Service. For example, a current driver's licence has not reached its expiry date or an Australian passport that has expired within the preceding 2 years.
- 6.3 Requirements to perform additional identification procedures for existing customers are outlined in the ongoing customer due diligence section below.

## **7. ONGOING CUSTOMER DUE DILIGENCE**

### **Product issuer initiated requests for updated or additional identification information**

- 7.1 In some cases a product issuer may determine that there is a need to confirm the accuracy of customer information held, re-verify the identity of an existing customer or perform a new identification procedure for a pre-commencement customer. In these cases, the product issuer should contact the customer's financial adviser and agree the course of action for performing the required procedure, including the applicable time frame. Various AML/CTF requirements mandate that any required re-verification of a customer's identity must be completed within 14 days from the time that the requirement to carry out this activity is identified.
- 7.2 Due to additional AML/CTF obligations imposed on product issuers, there may also be circumstances where a product issuer requires additional information about a customer or their transactions. In such circumstances, the product issuer should contact the financial adviser and agree a viable arrangement as to how this additional information will be obtained.
- 7.3 Product issuers may also request that a financial adviser collect new or updated tax information for a customer or obtain additional tax information (beyond the information provided in ID Forms). In these cases, the product issuer will contact the financial adviser and agree the information to be provided. Some examples of where this is likely to occur include:
- a request to obtain a passport or birth certificate of a customer who claims not to be a US taxpayer but provides a US passport or address

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<sup>5</sup> AML/CTF Pre-commencement customer are those to whom an entity provided a Designated Service prior to 12 December 2007. Existing FATCA customers are those who existed as at 30 June 2014. Existing CRS customers are those who existed as at 30 June 2017.

- a query about the tax information of a customer where the product issuer identifies any reason to believe the tax information provided may not be correct or may have changed
- the product issuer customer is required to collect tax information for a pre-existing client

7.4 This Guidance Note also includes three Tax Status Declaration forms intended to be used to collect additional tax information. These forms are intended to be used where a customer has not provided the required tax information in the first instance, or where additional tax information is required. These forms are to be used in addition to the ID Forms and should not be used for new customers unless under the direction of a product issuer:

- **Schedule 11:** US Tax Status Declaration Form – Individuals
- **Schedule 12:** Foreign Tax Status Declaration Form – Individuals
- **Schedule 13:** Foreign Tax Status Declaration Form – Entities.

7.5 It would be expected that the financial adviser will assist the product issuer in meeting their AML/CTF, FATCA and CRS obligations to the extent that it is reasonably practicable to do so. **Should the financial adviser be unable to assist the product issuer, the product issuer would be required to approach the financial adviser’s customer directly.**

7.6 Any additional or updated customer information ultimately provided to the requesting product issuer must be provided to any other product issuers who share the customer if this information has the effect that the financial adviser has formed a view that the customer is not who they claim to be or that the tax information previously provided is incorrect.

7.7 Due to prohibitions under the AML/CTF Act, the product issuer is generally not permitted to advise the financial adviser of the reasons for the need to re-identify or obtain additional information from a customer.

#### **Financial adviser initiated requests for updated or additional identification information**

7.8 If circumstances arise such that a financial adviser has reason to doubt that a previously identified customer is the person they claim to be, the financial adviser should confirm the accuracy of customer identity details held, and if necessary re-verify the customer’s identity (notifying their AFS licensee as soon as possible).

7.9 Due to prohibitions under the AML/CTF Act, the financial adviser is generally not permitted to advise the product issuer or any other party (other than their AFS licensee, as appropriate) of the reasons for the need to re-identify a customer.

7.10 If, following a re-identification procedure conducted by the financial adviser the financial adviser arranges for the customer to receive a new financial product, then the new product issuer should receive, or have access to, an updated copy of the records of this procedure.

7.11 Further, at any time that a financial adviser is arranging for the provision of a service covered by this Guidance Note, they should:

- take reasonable steps to ensure customer details recorded by them are current; and
- update and re-verify existing information kept on record where they are aware that customer identification details that they previously verified have changed.

#### **Change in Circumstances**

7.12 If a financial adviser becomes aware that the tax information previously provided by a customer is or may no longer be correct or reliable, the financial adviser should notify product issuers of this change in circumstances. Updated customer identification information should be provided in these circumstances via an updated ID Form (unless the product issuer provides an alternative form or method to collect this information). Examples of situations where the tax information of a customer may no longer be correct or reliable include:

- a customer who previously stated that they were not a tax resident of a country other than Australia relocates and updates their residential address to a country other than Australia; or
- a customer who previously was a US taxpayer renounces their US citizenship (and informs the financial adviser of this renunciation) ; or
- a customer who is a company informs the financial adviser that it has undergone a change in shareholders and now has shareholder/s (Beneficial Owners) who are not Australian tax residents. Alternatively, if the financial adviser becomes aware that the tax residency of existing shareholders (Beneficial Owners) has changed.

Once an adviser becomes aware of a change in circumstances, the adviser must promptly (within 30 days) notify the product issuer of this change. The obligation for a financial adviser to notify the product issuer of this change in circumstances only arises where the financial adviser is aware of this change (there is no obligation if the financial adviser is not aware of the change).

## **8. RECORD KEEPING**

8.1 This Guidance Note outlines three possible methods by which financial advisers and product issuers can seek to meet their respective record keeping obligations, specifically:

- A. Both the financial adviser and product issuer maintain copies of the completed ID Form and any identification documents used to verify the customer's identity. This requires that the financial adviser provide certified copies of identification documents to the product issuer.
- B. Both the financial adviser and product issuer maintain copies of the completed ID Form, but only the financial adviser maintains copies of identification documents used to verify the customer's identity. This requires that the Record of Verification Procedure section of the ID Form be completed by the financial adviser and provided to the product issuer.
- C. Under a specific commercial agreement for the management of records between the product issuer and financial adviser, the record is retained by either the financial adviser or another authorised intermediary, with the authorised entity agreeing to provide the other entity(s) with the necessary access to the record.

8.2 Where the financial adviser completed the Record of Verification Procedure section of the ID Form (certified copies of identification documents are not provided to the product issuer), the Record of Verification Procedure is the product issuer's record of the verification procedure and this record should include the following details of the sources from which the customer identity was verified:

- name of the issuer of the document;
- date of issue (where applicable);
- date of expiry (where applicable);
- document number (where applicable);
- whether it was verified from an original or certified copy.

## **9. APPROPRIATE RELIANCE**

- 9.1 A product issuer is deemed to have appropriately relied on the customer identification procedure conducted by the financial adviser where they are reasonably satisfied that the procedure conducted was:
- in accordance with this Guidance Note; and
  - they have a copy of, or access to, records which demonstrate that the above procedure was conducted in a manner consistent with this Guidance Note.

## **10. REPORTABLE ACCOUNTS - PRODUCT ISSUER GUIDANCE**

- 10.1 Product issuers that are Australian Reporting Financial Institutions have obligations to assign customers a tax status and this Guidance Note aims to collect the information required to assign this status via the accompanying ID Forms. Additional information about how the tax information collected in the ID Forms translate to the required tax statuses is provided in **ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS**
- 10.2 In line with AML/CTF procedures, a product issuer is able to rely on tax information collected via an ID Form so long as the product issuer is reasonably satisfied that the tax information was collected in accordance with this Guidance Note and has no reason to question the reasonableness of the tax information provided.

## **11. GUIDANCE NOTE REVIEW**

- 11.1 This Guidance Note has been prepared with significant input from both product issuers and financial advisers. The Guidance Note therefore represents the industry's views on an appropriate, standardised and robust framework for the management of AML/CTF, FATCA and CRS obligations between financial advisers and product issuers.
- 11.2 The reviews of this Guidance Note have been based on learnings from the practical implementation of AML/CTF and FATCA.
- 11.3 Further reviews of the Guidance Note will be undertaken as required, at least within a 3 year cycle.
- 11.4 This version of this Guidance Note was issued on 19 May 2017.

# ANNEXURE 1 – TAX INFORMATION FAQs

This annexure has been prepared to provide background to the Tax Information sections in the form of frequently asked questions.

QUESTION	ANSWER
<p><b>Why are we required to obtain tax information from clients?</b></p>	<p>Australia is one of many countries that has passed laws and entered into international agreements for the Automatic Exchange of Information (<b>AEOI</b>) to assist in making sure everyone pays the right amount of tax.</p> <p>As a result, Financial Institutions are required to identify foreign tax residents and report their details and relevant financial account information to their local tax authority (in Australia, this is the ATO). Tax authorities will then exchange this information with other countries who have passed similar laws.</p> <p>There are two <b>AEOI</b> laws that may affect you, <b>FATCA</b> and <b>CRS</b>.</p>
<p><b>What is FATCA?</b></p>	<p>The Foreign Account Tax Compliance Act (<b>FATCA</b>) is a United States (US) regulatory requirement that aims to deter tax evasion by US taxpayers.</p> <p>Under FATCA, financial institutions are required to identify clients that hold certain “financial accounts” and are US persons or that are entities with substantial US owners. Information on accounts and investments held by these clients must then be reported to the US Inland Revenue Service (<b>IRS</b>) via the local tax authority (Australian Taxation Office in Australia).</p> <p>FATCA has been in place since July 1, 2014.</p> <p><i>Further information on FATCA, issued by the US IRS, can be found at:</i></p> <p><a href="http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA)"><u>http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA)</u></a></p> <p><i>The Australian Taxation Office (ATO) has issued guidance on FATCA. The ATO FATCA Guidance can be found at:</i></p> <p><a href="https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/FATCA-detailed-guidance/"><u>https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/FATCA-detailed-guidance/</u></a></p>

## ANNEXURE 1 – TAX INFORMATION FAQs

QUESTION	ANSWER
<p><b>What is CRS?</b></p>	<p>The Organisation for Economic Cooperation and Development (<b>OECD</b>) developed the Common Reporting Standard (<b>CRS</b>) for the collection, reporting and exchange of financial account information among participating countries. CRS requires us to capture tax residency information for new and existing customers.</p> <p><b>CRS</b> is a global standard for the collection and exchange of account information and applies in Australia from July 1, 2017.</p> <p>From that date, each time an AML/CTF form is completed, the client will be required to self-certify their residence for tax purposes before the account opening process can be completed. If they are a foreign tax resident they are required to supply their <b>TIN</b> (tax identification number or equivalent) if they have one.</p> <p>Where the client is an entity, we may also require a certification of tax information from certain individuals associated with the entity, such as owners or controllers.</p> <p>We are required to report this tax information to the ATO who are responsible for passing it on to the relevant tax authority.</p> <p>The ATO has also provided guidance on AEOI/CRS:  <a href="https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/Automatic-exchange-of-information---guidance-material/">https://www.ato.gov.au/General/International-tax-agreements/In-detail/International-arrangements/Automatic-exchange-of-information---guidance-material/</a></p>
<p><b>What does Tax Residence mean?</b></p>	<p>Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person's residence or place of work. For entities, these rules are often based on where the entity is established/incorporated, carries on a business or is managed / controlled.</p> <p>For the US, for individuals, tax residency can be as a result of citizenship or residency.</p> <p>If the client is unsure of their tax residency, it is important that the client is not provided guidance by the financial adviser as to their tax residency when completing the AML/CTF forms.</p> <p>There is helpful guidance available on the ATO web-site:  <a href="https://www.ato.gov.au/individuals/international-tax-for-individuals/in-detail/foreign-residents-reporting/foreign-tax-resident-reporting/">https://www.ato.gov.au/individuals/international-tax-for-individuals/in-detail/foreign-residents-reporting/foreign-tax-resident-reporting/</a></p> <p>Alternatively the client should contact a qualified tax or other professional adviser.</p>
<p><b>How does AEOI affect Product Providers?</b></p>	<p>Each Product Provider should obtain their own confirmation whether they qualify as a Financial Institution (FI) and, if so, which of their products are considered as in-scope for AEOI.</p> <p>Where the Product Provider is an FI they will generally need to obtain a valid <b>Self-Certification</b> from the client as to their tax residency before opening an account for an in-scope product.</p>

## ANNEXURE 1 – TAX INFORMATION FAQs

QUESTION	ANSWER
<p><b>How does AEOI affect Financial Advisers?</b></p>	<p>Financial advisers should seek their own advice as to whether they would be caught under FATCA or CRS; as the practice of providing financial advice may lead to a financial advice firm being considered to be a financial institution. Even if not considered to be a financial institution, financial advisers are required to support product issuers by collecting additional identification information (including the Self-Certification) from clients.</p> <p>Generally this will be achieved by completing the relevant FSC/FPA AML/CTF form(s) as part of the application process.</p> <p>Financial Advisers should also note (as per the FAQ above) that the Product Provider will generally need to obtain a valid <b>Self-Certification</b> from the client as to their tax residency before opening an account for an in-scope product.</p>
<p><b>How have the FSC/FPA AML/CTF forms been changed to deal with CRS?</b></p>	<p>Each of the AML/CTF forms has been reviewed and, where there are CRS impacts, have been updated. There are some differences between FATCA and CRS but in order to try and streamline these, a single Tax Information section has been created.</p> <p>This covers all the necessary questions for both FATCA and CRS for that client type.</p>
<p><b>How are Product Providers and Advisers supposed to know which countries have signed up for CRS?</b></p>	<p>Australia has taken what is known as the “wider approach” to CRS.</p> <p>For accounts opened after the commencement of the CRS, the financial institution will be required to ask the person opening the account to certify their residence for tax purposes.</p> <p>If the person has tax residency in another jurisdiction, <i>irrespective of whether that jurisdiction has adopted the CRS</i>, then the details of the account need to be reported to the ATO.</p> <p>The ATO will, in turn, exchange that information with other jurisdictions, but only if they have adopted the CRS and signed a Multilateral Competent Authority Agreement (MCAA).</p>
<p><b>What happens if the client has a non-Australian tax residency but does not have a Tax Identification Number (TIN) or cannot locate it?</b></p>	<p>If the client has not been given a TIN (or does not want to disclose it) the forms have three reason options:</p> <p><b>Reason A</b> The country of tax residency does not issue TINs to tax residents  <b>Reason B</b> The client has not been issued with a TIN  <b>Reason C</b> The country of tax residency does not require the TIN to be disclosed</p> <p>If they do not supply a TIN they <u>must</u> self-certify one of these reasons.</p> <p>If the client indicates they have a non-Australian tax residency and does not provide a TIN or reason code then the Product Provider may not complete processing the application until all the necessary information has been obtained (through the Adviser or from the client).</p> <p>Product Providers may also approach the Adviser if there are signs (indicia) of potential foreign tax residency that conflict with the country of tax residency declared in the self-certification as part of the application.</p>

**ANNEXURE 1 – TAX INFORMATION FAQs**

QUESTION	ANSWER												
<p><b>What happens if a client self-certifies they are a tax resident of a country other than Australia.</b></p>	<p>The Product Provider will report details to the ATO as part of an annual CRS reporting cycle.</p> <p>The ATO will consolidate and forward on the details to the relevant Tax Authorities in jurisdictions which have adopted the CRS.</p> <p>There is no requirement to inform the client that their details are being reported to the ATO.</p> <p>It should be noted that if there are indicators that the client is tax resident in a country other than Australia, but has not declared this as a country of tax residency or responded to a request for clarification as to their tax residency, the Product Provider is required to report the account holder and their account information to the ATO.</p>												
<p><b>What client information will be reported to the ATO?</b></p>	<p>The information in the table below will be reported for individuals (the FATCA requirements are included for comparison):</p> <table border="1" data-bbox="507 831 1433 1272"> <thead> <tr> <th data-bbox="507 831 986 898">CRS</th> <th data-bbox="986 831 1433 898">FATCA</th> </tr> </thead> <tbody> <tr> <td data-bbox="507 898 986 954">Name</td> <td data-bbox="986 898 1433 954">name</td> </tr> <tr> <td data-bbox="507 954 986 1010">Address</td> <td data-bbox="986 954 1433 1010">address</td> </tr> <tr> <td data-bbox="507 1010 986 1066">jurisdiction(s) of tax residence</td> <td data-bbox="986 1010 1433 1066">-</td> </tr> <tr> <td data-bbox="507 1066 986 1189">taxpayer identification numbers issued by the jurisdiction(s) of tax residence</td> <td data-bbox="986 1066 1433 1189">U.S. TIN (if any)</td> </tr> <tr> <td data-bbox="507 1189 986 1272">date of birth</td> <td data-bbox="986 1189 1433 1272">date of birth, but only if their U.S. TIN is not recorded</td> </tr> </tbody> </table> <p>For most product types it is the balance of the account at the end of the reporting period (as a general rule December 31 of a calendar year) that is reported.</p>	CRS	FATCA	Name	name	Address	address	jurisdiction(s) of tax residence	-	taxpayer identification numbers issued by the jurisdiction(s) of tax residence	U.S. TIN (if any)	date of birth	date of birth, but only if their U.S. TIN is not recorded
CRS	FATCA												
Name	name												
Address	address												
jurisdiction(s) of tax residence	-												
taxpayer identification numbers issued by the jurisdiction(s) of tax residence	U.S. TIN (if any)												
date of birth	date of birth, but only if their U.S. TIN is not recorded												
<p><b>How does CRS/FATCA affect Australian superannuation products?</b></p>	<p>Superannuation and pension account holders (including self-managed super funds) are excluded from the definition of 'financial accounts' under CRS/FATCA and therefore not subject to CRS/FATCA requirements.</p>												

## ANNEXURE 2 - ID FORM TERMINOLOGY

This Annexure 2 has been prepared to explain the key FATCA and CRS related terms introduced in the ID Forms. This information is primarily intended to provide additional guidance for financial advisers.

KEY TERM	MEANING
Active NFE	<p>An NFE that meets any one of the following definitions:</p> <ul style="list-style-type: none"> <li>• Less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income.</li> <li>• Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes.</li> <li>• A Charity.</li> </ul>
Central Bank	<p>An institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.</p>
Charity	<p>An NFE that meets all of the following criteria:</p> <ol style="list-style-type: none"> <li>1. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare</li> <li>2. it is exempt from income tax in its jurisdiction of residence</li> <li>3. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets</li> <li>4. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased</li> <li>5. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision.</li> </ol>

**ANNEXURE 2 - ID FORM TERMINOLOGY**

KEY TERM	MEANING
Controlling Persons	<p>A Controlling Person is any natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.</p>
Managed by another Financial Institution	<p>An Entity is “managed by” another Entity if the managing Entity performs, either directly or through another service provider on behalf of the managed Entity, any of the following activities or operations: trading in money market instruments; foreign exchange; exchange, interest rate and index instruments; transferrable securities; or commodity futures trading.</p> <p>An Entity only manages another Entity if it has discretionary authority to manage the other Entity’s assets (either in whole or part).</p> <p>Where an Entity is managed by a mix of Financial Institutions, NFEs or individuals, the Entity is considered to be managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity that performs the above trading functions, if any of the managing Entities is such an Entity.</p>
FATCA status	<p>Where a financial institution does not have a GIIN they will need to provide their FATCA status. This status can <u>ONLY</u> be one of the following:</p> <ol style="list-style-type: none"> <li>1. Non reporting IGA FI (listed in Annex II of an IGA)</li> <li>2. Deemed compliant FI</li> <li>3. Excepted FI</li> <li>4. Exempt beneficial owner</li> <li>5. Non participating FI</li> <li>6. GIIN applied for but not yet issued.</li> <li>7. US Financial Institution</li> </ol> <p><i>Entities that are financial institutions should be aware of their FATCA status and it is not the financial adviser’s responsibility to determine this.</i></p>
Financial Institution (FI)	<p>A financial institution is an entity (e.g. company, partnership or trust) that engages in one of the following:</p> <ul style="list-style-type: none"> <li>• accepts deposits in the ordinary course of a banking or similar business (depository institution);</li> <li>• holds as a substantial portion of its business (equals or exceeds 20 percent of the entity's gross income) financial assets for the account of others (custodial institution);</li> <li>• is an investment entity including entities that trade in financial assets or that are investing, administering, managing funds, money, or certain financial assets on behalf of other persons</li> <li>• is an insurance company; or</li> <li>• is an entity that is a holding company or treasury centre that is a part of a group that includes one of the above.</li> </ul>

## ANNEXURE 2 - ID FORM TERMINOLOGY

KEY TERM	MEANING
Global Intermediary Identification Number (GIIN)	A Global Intermediary Identification Number ( <b>GIIN</b> ) is a unique ID number that non-US financial institutions receive from the IRS when they register as a financial institution for FATCA.
Governmental Entity	The government of a jurisdiction, any political subdivision of a jurisdiction (including a state, province, county, or municipality), or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing.
International Organisation	Any international organisation or wholly owned agency or instrumentality thereof. This includes any intergovernmental organisation (including a supranational organisation): <ol style="list-style-type: none"> <li>1. that is comprised primarily of governments</li> <li>2. that has in effect a headquarters or substantially similar agreement with the jurisdiction, and</li> <li>3. the income of which does not inure to the benefit of private persons.</li> </ol>
Non-Financial Entity (NFE)	An NFE means any entity that is not a financial institution. An NFE may be an Active NFE or a Passive NFE.
Passive NFE	A passive NFE means any NFE that is not an Active NFE.
Public listed company	The stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market. <p><b>Regularly Traded</b> – Meaningful volume of trading with respect to the stock on an on-going basis.</p> <p><b>Established Securities Market</b> – An exchange that is officially recognised and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange.</p> <p><b>Related Entity</b> – An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.</p>
Settlor	Settlers are natural or legal persons who transfer ownership of their assets to trustees by means of a trust deed or similar arrangement.
Tax resident	Tax Residency rules differ by country. Whether an individual is tax resident of a particular country is often (but not always) based on the amount of time a person spends in a country, the location of a person’s residence or place of work. For the US, tax residency can be as a result of citizenship or residency. <p><i>If a client thinks they may be a foreign tax resident, but is not certain, it is advisable that they seek specialist tax advice.</i></p>

**ANNEXURE 2 - ID FORM TERMINOLOGY**

KEY TERM	MEANING
Taxpayer Identification Number ( <b>TIN</b> )	<p>A TIN is the number assigned by each country for the purposes of administering tax laws. This is the equivalent of a Tax File Number (TFN) in Australia or an Employer Identification Number (EIN) in the US. Some jurisdictions use a functional equivalent, for example, the social security number in the US.</p> <p><i>Note: the fact an individual or entity has a Foreign TIN does not automatically make them a Foreign tax resident.</i></p> <p><i>The OECD has published information on the usage and structure of the TINs on their <a href="#">Automatic Exchange Portal</a>.</i></p>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS

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### INDIVIDUALS AND SOLE TRADERS

QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Is the individual a tax resident of a country other than Australia?	Yes	Provide for each foreign tax residency, Country, TIN or reason details..	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b> If <b>Country</b> not <b>US</b> then <b>Non US Person</b>	<b>Reportable Person</b>
	No		<b>Non US person</b>	<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### AUSTRALIAN COMPANIES

TAX STATUS (ticked)	QUESTION(s)	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
A Financial Institution	1. Provide the Company's Global Intermediary Identification Number (GIIN), if applicable; or If the Company is a Financial Institution but does not have a GIIN, provide its FATCA status	GIIN or FATCA status	The product issuer can determine whether to record / validate the GIIN or not.	<b>Australian / Partner Financial Institution</b> <i>[or any other status provided by client]</i>	<b>Non Reportable Person</b>
Australian Public Listed Company, Majority Owned Subsidiary of an Australian Public Listed company or Australian Registered Charity	N/A	N/A	These Australian companies are considered Active NFE's and therefore the controlling person country of tax residence test is not required.  The accountholder country of tax residence test is not required because:- 1. <i>An Australian Public Listed Company, or a Majority Owned Subsidiary of an Australian Public Listed company</i> is excluded from the definition of reportable persons 2. <i>An Australian Registered Charity</i> is assumed to only be an Australian tax resident.	<b>Active NFE</b>	<b>Non Reportable Person</b>
An Active Non-Financial Entity (NFE)	1. Is the Company a tax resident of a country other than Australia?	Yes	For CRS purposes the accountholder country of tax residence test is required for Active NFE's.	<b>Active NFE</b>	<b>Reportable Person</b>
		No			<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### AUSTRALIAN COMPANIES (Continued)

TAX STATUS (ticked)	QUESTION(s)	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Other (Entities that are not previously listed – Passive Non-Financial Entities)	1. Are any of the company's Beneficial Owners tax residents of countries other than Australia?	Yes	For Passive NFE's a controlling person country of tax residence test is required.  Beneficial owners are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	If <b>Country</b> equals <b>US</b> then <b>Passive NFE (with US controlling persons)</b>  If <b>Country</b> not <b>US</b> then <b>Passive NFE (with no US controlling persons)</b>	<b>Passive NFE (with foreign controlling persons)</b>
		No		<b>Passive NFE (with no US controlling persons)</b>	<b>Passive NFE (with no foreign controlling persons)</b>
	2. Is the Company a tax resident of a country other than Australia?	Yes	For CRS purposes the accountholder country of tax residence test is also required.	N/A	<b>Reportable Person</b>
		No			<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### FOREIGN COMPANIES

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
A Financial Institution	1. Provide the Company's Global Intermediary Identification Number (GIIN), if applicable; or  If the Company is a Financial Institution but does not have a GIIN, provide its FATCA status	GIIN or FATCA status	The product issuer can determine whether to record / validate the GIIN or not.  The account holder country of tax residence test is not required because <i>Financial Institutions</i> are excluded from the definition of reportable persons.	<b>Australian/Partner Financial Institution/Participating FFI*</b> <i>[or any other status provided by client]</i>  * Status depends on the jurisdiction of the entity.	CRS status dependent on the investment entity test below (Question 2.)
	2. Is the Financial Institution an Investment Entity located in a Non-Participating CRS Jurisdiction and managed by another Financial Institution?	Yes	For CRS purposes the investment entity test is also required.  CRS Participating CRS jurisdictions are listed on the OECD website.	N/A	CRS Status dependent on the controlling person country of tax residence test below (Question 3.)
		No			<b>Non Reportable Person</b>
	3. Does the Company have any Beneficial Owners who are tax residents of countries other than Australia?	Yes	For CRS purposes a controlling person country of tax residence test is required.	N/A	<b>Passive NFE (with foreign controlling persons)</b>
		No	Beneficial owners are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.		<b>Passive NFE (with no foreign controlling persons)</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### FOREIGN COMPANIES (Continued)

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
A Public Listed Company, Majority Owned Subsidiary of a Public Listed Company, Governmental Entity, International Organisation or Central Bank	N/A	N/A	<p>These companies are considered Active NFE and therefore the controlling person country of tax residence test is not required.</p> <p>The accountholder country of tax residence test is not required because <i>A Public Listed Company, Majority Owned Subsidiary of a Public Listed Company, Governmental Entity, International Organisation or Central Bank</i> are excluded from either the definition of reportable persons or reportable accounts.</p>	<b>Active NFE</b>	<b>Non Reportable Person</b>
A Charity or an Active Non-Financial Entity (NFE)	1. Is the Company a tax resident of a country other than Australia?	Yes	The accountholder country of tax residence test is required for Active NFE's.	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b>	<b>Reportable Person</b>
		No		If <b>Country</b> not <b>US</b> then <b>Active NFE</b>	

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### FOREIGN COMPANIES (Continued)

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Other (Entities that are not previously listed – Passive Non-Financial Entities)	1. Does the Company have any Beneficial Owners who are tax residents of countries other than Australia?	Yes	Beneficial owners are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	If <b>Country</b> equals <b>US</b> then <b>Passive NFE (with US controlling persons)</b>	<b>Passive NFE (with foreign controlling persons)</b>
		No		If <b>Country</b> not <b>US</b> then <b>Passive NFE (with no US controlling persons)</b>	
	2. Is the Company a tax resident of a country other than Australia?	Yes	For CRS purposes the accountholder country of tax residence test is required.	<b>N/A</b>	<b>Reportable Person</b>
		No			<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### AUSTRALIAN REGULATED TRUSTS (INCLUDING SMSFs)

TYPE OF TRUST	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Superannuation trusts	N/A	N/A	All Superannuation funds are exempt entities including Self-Managed Superannuation funds, APRA regulated super funds, government super funds and pooled superannuation trusts.	<b>Exempt Beneficial Owner</b>	<b>Excluded Account</b>
Registered managed investment schemes or Other regulated trust	<p>1. Provide the Trust's Global Intermediary Identification Number (GIIN), if applicable; or</p> <p>If the Trust is a Trustee-Documented Trust, provide the Trustee's GIIN; or</p> <p>If the Trust is a Financial Institution but does not have a GIIN, provide its FATCA status</p>	GIIN or FATCA status	<p>Either a GIIN for the trust / trustee should be provided or a FATCA status for the trust. Where the trust is a trustee documented trust the GIIN will be the trustee's. Where the trust is a sponsored trust, the GIIN will be the trust's.</p> <p>The product issuer can determine whether to record/validate the GIIN or not.</p>	<b>Australian/Partner Financial Institution</b> <i>[or any other status provided by client]</i>	<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### UNREGULATED AUSTRALIAN TRUSTS & FOREIGN TRUSTS

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
A Financial Institution	1. Provide the Trust's Global Intermediary Identification Number (GIIN), if applicable; or  If the Trust is a Trustee-Documented Trust, provide the Trustee's GIIN; or  If the Trust is a Financial Institution but does not have a GIIN, provide its FATCA status	GIIN or FATCA status	Either a GIIN for the trust / trustee should be provided or a FATCA status for the trust. Where the trust is a trustee documented trust the GIIN will be the trustee's. Where the trust is a sponsored trust, the GIIN will be the trust's.  The product issuer can determine whether to record/validate the GIIN or not.  The accountholder country of tax residence test is not required because <i>Financial Institutions</i> are excluded from the definition of reportable persons.	<b>Australian/Partner Financial Institution/Participating FFI*</b> <i>[or any other status provided by client]</i>  * Status depends on the jurisdiction of the entity.	CRS Status dependent on the investment entity test below (Question 2.)
	2. Is the Financial Institution an Investment Entity located in a Non-Participating CRS Jurisdiction and managed by another Financial Institution?	Yes	For CRS purposes the investment entity test is also required.  CRS Participating CRS jurisdictions are listed on the OECD website.	N/A	CRS Status dependent on the controlling person country of tax residence test below (Question 3.)
		No			<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### UNREGULATED AUSTRALIAN TRUSTS & FOREIGN TRUSTS (Continued)

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
	3. Are any of the Trust's Controlling Persons tax residents of countries other than Australia; or	Yes to either	Controlling persons are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	N/A	<b>Passive NFE (with foreign controlling persons)</b>
	If the Trustee is a company, are any of this company's Controlling Persons tax residents of countries other than Australia	No to both			<b>Passive NFE (with no foreign controlling persons)</b>
Australian Registered Charity or Deceased Estate	N/A	N/A	Australian Registered Charities are Active NFE's and are assumed to only be Australian tax residents.	<b>Active NFE</b>	<b>Non Reportable Person</b>
			Deceased Estates are excluded from the definition of reportable accounts.	<b>Excluded Account</b>	<b>Excluded Account</b>
A Foreign Charity or an Active Non-Financial Entity (NFE)	1. Is the Trust a tax resident of a country other than Australia?	Yes	The accountholder country of tax residence test is required for Active NFE's.	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b>	<b>Reportable Person</b>
		No		If <b>Country</b> not <b>US</b> then <b>Active NFE</b>	
				<b>Active NFE</b>	<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### UNREGULATED AUSTRALIAN TRUSTS & FOREIGN TRUSTS (Continued)

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Other (Trust's that are not previously listed – Passive Non-Financial Entities)	1. Are any of the Trust's Controlling Persons tax residents of countries other than Australia; or  If the Trustee is a company, are any of this company's Controlling Persons tax residents of countries other than Australia	Yes to either	Controlling persons are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	If <b>Country</b> equals <b>US</b> then <b>Passive NFE (with US controlling persons)</b>  If <b>Country</b> not <b>US</b> then <b>Passive NFE (with US no controlling persons)</b>	<b>Passive NFE (with foreign controlling persons)</b>
		No to both		<b>Passive NFE (with no US controlling persons)</b>	<b>Passive NFE (with no foreign controlling persons)</b>
	2. Is the Trust a tax resident of a country other than Australia?	Yes	For CRS purposes the accountholder country of tax residence test is required.	N/A	<b>Reportable Person</b>
	No	<b>Non Reportable Person</b>			

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### PARTNERSHIPS & PARTNERS

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
A Financial Institution	1. Provide the Partnership's Global Intermediary Identification Number (GIIN), if applicable; or  If the Partnership's is a Financial Institution but does not have a GIIN, provide its FATCA status	GIIN or FATCA status	The product issuer can determine whether to record/validate the GIIN or not.  The accountholder country of tax residence test is not required because <i>Financial Institutions</i> because are excluded from the definition of reportable persons.	<b>Australian/Partner Financial Institution/Participating FFI*</b> <i>[or any other status provided by client]</i>  * Status depends on the jurisdiction of the entity.	CRS Status dependent on the investment entity test below (Question 2.)
	2. Is the Financial Institution an Investment Entity located in a Non-Participating CRS Jurisdiction and managed by another Financial Institution?	Yes	For CRS purposes the investment entity test is also required.  CRS Participating CRS jurisdictions are listed on the OECD website.	N/A	CRS Status dependent on the controlling person country of tax residence test below (Question 3.)
		No			<b>Non Reportable Person</b>
	3. Are any of the Partnership's Controlling Persons tax residents of countries other than Australia	Yes to either	Controlling persons are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	N/A	<b>Passive NFE (with foreign controlling persons)</b>
		No to both			<b>Passive NFE (with no foreign controlling persons)</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### PARTNERSHIPS & PARTNERS (Continued)

TAX STATUS (ticked)	QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
An Active Non-Financial Entity (NFE)	1. Is the Partnership a tax resident of a country other than Australia?	Yes	The accountholder country of tax residence test is required for Active NFE's.	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b>	<b>Reportable Person</b>
		No		If <b>Country</b> not <b>US</b> then <b>Active NFE</b>	
Other (Partnership's that are not previously listed – Passive Non-Financial Entities)	1. Are any of the Partnership's Controlling Persons tax residents of countries other than Australia	Yes	Controlling persons are required to complete an Individual ID Form, including their name, address and provide for each foreign tax residency, Country, TIN or reason details.	If <b>Country</b> equals <b>US</b> then <b>Passive NFE (with US controlling persons)</b>	<b>Passive NFE (with foreign controlling persons)</b>
		No		If <b>Country</b> not <b>US</b> then <b>Passive NFE (with no US controlling persons)</b>	
	2. Is the Partnership a tax resident of a country other than Australia?	Yes	For CRS purposes the accountholder country of tax residence test is required.	N/A	<b>Reportable Person</b>
		No			<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### ASSOCIATIONS

QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Is the Association a tax resident of a country other than Australia?	Yes	Where this form is provided, the entity is assumed to be an Active NFE.  The accountholder country of tax residence test is required for Active NFE's.	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b>  If <b>Country</b> not <b>US</b> then <b>Active NFE</b>	<b>Reportable Person</b>
	No		<b>Active NFE</b>	<b>Non Reportable Person</b>

### REGISTERED COOPERATIVES

QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
Is the Registered Cooperative a tax resident of a country other than Australia?	Yes	Where this form is provided, the entity is assumed to be an Active NFE.  The accountholder country of tax residence test is required for Active NFE's.	If <b>Country</b> equals <b>US</b> then <b>Specified US person</b>  If <b>Country</b> not <b>US</b> then <b>Active NFE</b>	<b>Reportable Person</b>
	No		<b>Active NFE</b>	<b>Non Reportable Person</b>

## ANNEXURE 3 – TAX CLASSIFICATIONS FOR PRODUCT ISSUERS (Continued)

### GOVERNMENT BODIES

QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
[NO FATCA or CRS QUESTIONS]	N/A	Where this form is provided the entity is assumed to be: <ul style="list-style-type: none"><li>• An exempt beneficial owner - Non US government entities; or</li><li>• US person (other than a specified US person) - US government entities.</li></ul>	<b>Exempt beneficial owner</b> OR <b>US person (other than a specified US person)</b>	<b>Non Reportable Person</b>

### VERIFYING OFFICER

QUESTION	ANSWER	GUIDANCE	FATCA STATUS (GUIDE ONLY)	CRS STATUS (GUIDE ONLY)
[NO FATCA or CRS QUESTIONS]	N/A	FATCA or CRS status not required for verifying officers.	N/A	N/A

## ANNEXURE 4 – LIST OF FORMS ISSUED WITH THIS GUIDANCE

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### Customer ID Forms

- **Schedule 1:** Individuals & Sole Traders
- **Schedule 2:** Australian Companies
- **Schedule 3:** Foreign Companies
- **Schedule 4:** Australian Regulated Trusts
- **Schedule 5:** Unregulated Australian Trusts & Foreign Trusts
- **Schedule 6:** Partnerships & Partners
- **Schedule 7:** Associations
- **Schedule 8:** Registered co-operatives
- **Schedule 9:** Government bodies
- **Schedule 10:** Verifying Officer.

### Tax Status Declaration forms

(See paragraph 7.4 of this Guidance Note for more information about the following three forms.)

- **Schedule 11:** US Tax Status Declaration Form – Individuals
- **Schedule 12:** Tax Status Declaration Form – Individuals
- **Schedule 13:** Tax Status Declaration Form – Entities.