

17 January 2017

### **Important Notice to Customers**

#### **Re: Common Reporting Standard (“CRS”) for the Automatic Exchange of Financial Account Information (“AEOI”) for Tax Reporting Purposes**

Thanks for choosing the services of Fubon Bank (Hong Kong) Limited. To help you better understand the Common Reporting Standard (“CRS”) for the Automatic Exchange of Financial Account Information (“AEOI”) for tax reporting purposes, we would like to provide the below important notice for your information.

#### **Reason for Submission of Reportable Account Information to Inland Revenue Department (“IRD”)**

AEOI is a new international standard promulgated by the Organisation of Economic Co-operation and Development (“OECD”) to enhance tax transparency and combat cross-border tax evasion. Over 100 jurisdictions have committed to its implementation based on the CRS released by the OECD in July 2014.

The Government of the Hong Kong Special Administrative Region has published the Inland Revenue (Amendment) (No.3) Ordinance 2016 (the “Amendment Ordinance”), which came into effect in Hong Kong on 30 June 2016 to provide a legal framework in Hong Kong for implementing the new standard on automatic exchange of financial account information in tax matters. Under the Amendment Ordinance, financial institutions in Hong Kong are required to identify the tax residency<sup>1</sup> of account holders, and periodically submit reportable account information<sup>2</sup> of the accounts held by residents of AEOI partner jurisdictions to the IRD starting from 1 January 2017. Under the CRS, the IRD will then exchange the reportable account information with the tax administration of relevant jurisdictions from 2018 onwards.

#### **Impact on customers**

To identify reportable persons, financial institutions including Fubon Bank (“the Bank”) may ask their account holders to complete self-certification form, which is a formal declaration for verification of their tax residency status as part of the due diligence procedures for account opening.

If you opened an account before 1 January 2017, the Bank will identify your tax residency based on your existing account information. The Bank may also ask you to provide a self-certification and/or additional information to confirm your tax residency, if needed.

If you open an account after 1 January 2017, the Bank will require you to provide a self-certification to confirm your tax residency.

**However, if Hong Kong is your only tax residency, your account information will not be required to be reported to the IRD.**

### **Further information**

For more information on CRS, please visit the IRD website at [http://www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm). If you have any questions on defining your tax residence, you may consult your tax advisor or refer to the OECD website at <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/> for information regarding tax residency rules issued by AEOI partners jurisdictions.

In the meantime, we have posted CRS FAQs to address the commonly asked questions on the Bank's website for your easy reference. Should you have further queries on this Notice, please feel free to contact our Customer Service Hotline on 2566 8181 or contact your account officer directly.

### **Disclaimer**

This Important Notice to Customers does not constitute tax or legal advice. Please consult your independent tax or legal advisor if you have any question.

Fubon Bank (Hong Kong) Limited

### **Remarks:**

1. **"Tax residency"** generally refers to the country / jurisdiction where account holders are obliged to pay tax or corporate tax.
2. Reportable Account Information includes account holder's name, address, date of birth, jurisdiction of residence, tax identification number, account number, account balances and income received during the reporting period, etc.