

## Automatic Exchange of Financial Account Information in Tax Matters (AEOI) / Common Reporting Standard (CRS) Frequently Asked Questions (MPF & ORSO)

### **Q1 What is AEOI / CRS?**

**A1** The Organization for Economic Cooperation and Development ("OECD") requires governments globally to obtain certain financial account information from their financial institutions and exchange that information automatically with foreign jurisdictions, i.e. Automatic Exchange of Financial Account Information in Tax Matters ("AEOI").

Known as the Common Reporting Standard ("CRS"), it requires financial institutions in participating jurisdictions to obtain and report certain financial account information of their customers to help fight against tax evasion and protect the integrity of tax systems.

### **Q2 When will CRS be applied to MPF schemes and ORSO registered schemes?**

**A2** According to the Inland Revenue (Amendment) (No. 2) Ordinance 2019, effective from January 1, 2020, MPF schemes and ORSO registered schemes will become reporting financial institutions and are required to comply with the due diligence and reporting obligations relating to AEOI.

### **Q3 As an MPF/ORSO scheme participant, what does it mean to me?**

**A3** Under the AEOI legislation, Manulife as the reporting financial institution is required to apply the due diligence procedures to determine the tax residency of MPF/ORSO account holders (members and/or employers) and controlling persons (in the case of certain entity types).

The required information will be collected by means of self-certification and/or other documentary evidence by the concerned parties.

### **Q4 What information is required to be provided in the self-certification?**

**A4** Customers will be asked to provide the following information:

- Name
- Current residential address
- Business address (for entities)
- Jurisdiction(s) of tax residence
- Taxpayer identification number(s) ("TIN") or its equivalents
- Date of birth (for individuals)
- Entity type and place of registration/incorporation (for entities)
- Controlling Person type for certain entity types (for Controlling Persons)

### **Q5 When does a self-certification have to be provided?**

**A5** New customers joining an MPF/ORSO Scheme on or after January 1, 2020 have to complete a CRS self-certification which is embedded in the enrolment/application form.

Existing customers may also be required to complete a similar CRS self-certification under certain circumstances (e.g. tax residency change or change in personal particulars) to establish the tax residency status of the customers concerned. If this happens, Manulife will notify the relevant customers for necessary arrangement.

### **Q6 I have purchased other products with Manulife, and had provided self-certification previously for account set up. Will I need to complete a self-certification again when I open an MPF or ORSO account with Manulife?**

**A6** Yes. Self-certification must be provided for every onboarding process. Even if a customer holds other account(s) (active or terminated) with Manulife and had previously provided self-certification, according to relevant regulations, he/she still needs to furnish an updated one in order to apply for setting up an account.

### **Q7 In what way are customer data shared with third parties?**

**A7** For accounts that are held by customers who are reportable individuals/entities, Manulife has to provide certain specific account information to the Hong Kong Inland Revenue Department ("IRD"). For instance, a customer who is a tax resident of Germany would be reported by Manulife to the IRD, which in turn would exchange such customer's data with the German tax authority.

The information to be exchanged includes name, address, jurisdiction of residence, TIN, and date of birth, as well as certain account information in respect of the reportable MPF/ORSO account.

### **Q8 How is tax residence defined?**

**A8** A person's tax residence is defined by having regard to jurisdiction-specific laws and individual/entity circumstances. If in doubt, customers are advised to consult their tax advisor as Manulife does not give tax or legal advice.

Customers may visit the following OECD website for more information on the tax resident rules of the respective jurisdictions. (<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency>).

**Q9 What is a taxpayer identification number (“TIN”)?**

**A9** A taxpayer identification number (“TIN”) or its equivalent is a unique number typically issued to a taxpayer by a tax jurisdiction. Some jurisdictions do not issue TINs, and other jurisdictions accept national identification numbers or similar unique identifiers as valid entries on the CRS self-certification.

Information regarding the TIN of the respective jurisdictions can be found from the following OECD website (<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers>).

Among others, for Hong Kong tax resident individual, his/her HKID Card No. is the TIN.

**Q10 If the customer is a Hong Kong permanent resident and solely has tax liability in Hong Kong, will his/her information be reported to other jurisdictions under AEOI regime?**

**A10** No, to the extent that the person is not a tax resident in any jurisdiction outside Hong Kong, he/she will not be a reportable person for AEOI purpose. However, he/she still needs to provide a self-certification to declare such status to Manulife.

**Q11 What happens if a customer fails to provide a complete and valid CRS self-certification?**

**A11** New employee joining an MPF/ORSO scheme must provide a complete and valid self-certification as required. Otherwise, the MPF/ORSO account opening process, as well as the related contribution arrangement will be delayed or even could not be completed.

For pre-existing MPF/ORSO account holders, if Manulife identified a case where provision of self-certification and/or other supporting documents is necessary, but fails to receive the required information, Manulife will need to determine the member’s tax residency based on the information on record. If it is in a reportable jurisdiction, Manulife will report the relevant MPF/ORSO account information to the IRD for further arrangement in relations to AEOI as appropriate.

**Q12 What if there are changes in circumstances that affect customer’s tax residency?**

**A12** MPF/ORSO account holders should inform Manulife of any change in circumstances which affects their tax residency status or causes the information contained in a previously submitted self-certification to become incorrect. Such notification should be given by means of providing a suitably updated self-certification form within 30 days of the change in circumstances.

**Q13 The information that customers provide is confidential and sensitive. How will Manulife protect such information?**

**A13** Manulife takes information security very seriously and has established policies and procedures to ensure that customer information is properly protected. We also have measures to protect personal information in accordance with existing laws and regulations, including but not limited to controls regarding accessing, storing, processing, transmitting and handling of personal information.

To know more about Manulife’s data privacy policy, you may visit Manulife’s website at [www.manulife.com.hk](http://www.manulife.com.hk).

**Q14 What is the implication for providing an incorrect self-certification?**

**A14** In making a self-certification which is collected by a financial institution, if a person knowingly or recklessly makes a statement that is misleading, false or incorrect in a material particular, he/she will be liable on conviction to a fine at Level 3 (HK\$10,000).

As a financial institution, Manulife is not allowed to give tax or legal advice. If you have any questions regarding your tax residency, please consult your tax adviser or visit the OECD and Inland Revenue Department’s AEOI website at <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/> and [http://www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm) respectively, or simply scan the QR code, for more CRS and related information.



(OECD)



(IRD)