

Common Reporting Standard — Frequently Asked Questions

Q1 What is the Common Reporting Standard?

A1 In July 2014, the Organization for Economic Cooperation and Development (“OECD”) released a standard, asking governments globally to obtain certain financial account information from their financial institutions, including insurance companies, and exchange that information automatically with overseas tax jurisdictions (“AEOI”). Known as the Common Reporting Standard (“CRS”), it requires financial institutions in participating jurisdictions to obtain and report certain financial information of their customers to help fight against tax evasion and protect the integrity of tax systems.

Q2 Is CRS the same as the Foreign Account Tax Compliance Act (“FATCA”)?

A2 No. Whereas FATCA was implemented by the US government to prevent tax evasion from US persons, CRS was adopted by over 100 governments to essentially satisfy the same objective.

Q3 Why do customers have to confirm their jurisdiction(s) of tax residency?

A3 Under the CRS, tax authorities require Manulife to obtain and report certain information relating to their customers’ tax statuses. Manulife will ask customers purchasing certain products (such as income protection, savings, and retirement products) or with a change in circumstances (such as a move to another country / jurisdiction) to certify a number of details in a process called self-certification.

Q4 What information are customers required to provide?

A4 Depending on the jurisdiction, customers will generally be asked to provide the following information:

- Name
- Current residence address
- Place and date of birth (for Individual and Controlling Persons)
- Country or jurisdiction of tax residence
- Taxpayer identification number(s) or its equivalents (“TIN”)
- Entity type and place of registration/ incorporation (for Entities)
- Controlling Person Type for certain Entity Types (for Controlling Persons)

Q5 How is the information required for CRS captured?

A5 Customers are required to complete a self-certification. Self-certifications may be part of the account opening documents or a separate form and will vary by jurisdiction and whether customers are an entity or individual. The CRS forms will cover details such as jurisdiction of tax residence, TIN and entity type.

Q6 When does a CRS self-certification have to be completed?

A6 New customers will complete a CRS self-certification before a product or policy can be issued. Existing customers will be required to complete a similar CRS self-certification in certain circumstances (e.g. ownership change, tax residency change, or change in personal particulars) at a later stage where we have insufficient information to establish whether a customer is a non-reporting person.

Q7 How is a customer's data shared with third parties?

A7 National laws implementing the CRS require Manulife to provide information to the domestic tax authority where the reportable account is held by a customer who is a reportable person. For instance, a customer of Manulife Hong Kong who is a tax resident of Germany would be reported by Manulife to the Hong Kong Inland Revenue Department, which in turn would exchange such customer's data with the German tax authority.

Q8 What information is shared with the tax authorities?

A8 Manulife will provide the legally required information to the tax authorities, including information in the CRS self-certification and details about products and policies a customer holds with Manulife, such as their balances or values and the total amount of interest or payments credited.

Q9 How is tax residence defined?

A9 A person's tax residence is defined by having regard to jurisdiction-specific laws and individual / entity circumstances. Customers are advised to contact their tax advisor as Manulife does not give tax or legal advice.

Q10 What is a Taxpayer identification number ("TIN") and how can I find mine?

A10 A taxpayer identification number ("TIN") or its equivalent is a unique number typically issued to a customer by a tax authority. 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.

Q11 Why does Manulife ask for a CRS self-certification even if a customer lives in the same jurisdiction they are paying taxes in?

A11 Manulife must establish, maintain and apply CRS due diligence procedures to identify account holders (including controlling persons if the account holder is an entity) who are tax residents in reportable jurisdictions. The CRS self-certification has been determined to be the best way to perform these due diligence procedures.

Q12 Why does Manulife ask for supporting documents in addition to the CRS self-certification?

A12 The CRS due diligence procedures are mandatory and subject to local regulations. Manulife could be sanctioned if it fails to identify, collect and report information of reportable accounts to tax authorities. Therefore Manulife needs to verify the details provided by customers as part of the CRS self-certification. This verification process could include requiring address proof, copies of passports, past tax returns or other forms of evidence.

Q13 Can Manulife help customer to fill out the CRS self-certification?

A13 Manulife does not offer tax or legal advice. As such, customers cannot be advised on how to fill out the CRS self-certification. While Manulife can help customers populate basic information such as telephone numbers or known residential address, the tax residency information must be filled in by the customer.

Q14 What happens if a customer refuses to provide a CRS self-certification?

A14 New customers who do not provide Manulife, during the onboarding phase, with a completed CRS self-certification are not eligible to subscribe to any CRS in-scope product or policy. If an existing customer refuses to provide a CRS self-certification, the customer will be deemed a reportable person of the jurisdiction for which he holds any indicia such as mailing address.

Q15 The information that customers are providing is confidential and sensitive. How will Manulife protect this information?

A15 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.

Q16 Where can I found further information and advice?

A16 For general questions on the CRS, please do not hesitate to contact your Manulife representative. Manulife does not provide tax advice. For further information on your tax residency, please refer to the rules governing tax residence that have been published by your national tax authority or contact your tax advisor. You can also visit the OECD Automatic Exchange of Information portal.