



## Personal Customers

### Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS') - Reasonable Explanation Form

**Note:** Please review the attached Frequently Asked Questions (FAQ's) before completing this form.

To: AIB

I understand that AIB, in accordance with the Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS'), is required to obtain a reasonable explanation and supporting documentation from me to support the validity of the tax certification provided by me at account opening.

I confirm that I am tax resident in the following country(ies) \_\_\_\_\_ and I provide the following explanation as to why there is a difference between the country(ies) of tax residence stated on the tax certification form completed by me at account opening and other information held by AIB.

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Please list the documentation provided to support the above explanation (Refer to Q5 for the list of acceptable documents):

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Sort code \_\_\_\_\_ Bank Account Number \_\_\_\_\_

Customer Name \_\_\_\_\_

I declare that, to the best of my knowledge and belief, the information I have provided is accurate and complete.

Customer Signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**Note:** We will review your explanation and supporting documentation and will advise you if any additional information is required.

Once completed, please return this form and the supporting documents to the following address:

**Tax Operations, AIB, 3rd Floor, Unit 33, Blackthorn Road, Sandyford, Dublin 18**

# FREQUENTLY ASKED QUESTIONS

## Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

### 1. What is FATCA?

FATCA is a legal framework which requires AIB to report details of financial accounts held by US citizens and persons tax resident in the US to the Irish Revenue on an annual basis who will then exchange this information with the US tax authorities.

### 2. What is CRS?

CRS is a legal framework which requires AIB to report details of financial accounts held by reportable persons (i.e. customers who are not tax resident in the Republic of Ireland or the US) to the Irish Revenue on an annual basis who may then exchange this information with tax authorities in relevant jurisdictions.

### 3. What is the impact of FATCA and CRS for you?

AIB will be required to undertake the following additional steps in relation to customers opening a new account:

- obtain a tax certification from the customer which enables the bank to determine (a) whether the account holder is a US citizen and (b) the account holders residence for tax purposes;
- confirm the reasonableness of the tax certification based on other information that we hold in relation to the customer;
- where there is a conflict between the tax certification and other customer information that we have on file, we will require a reasonable explanation and documentation supporting the reasonableness of the tax certification provided at account opening (refer to Q4/5) or alternatively a revised tax certification. An example of such a conflict would be if a customer declares that they are Irish tax resident but they have a UK mailing address;
- if customers do not provide all of the information requested we will not be able to proceed with opening the new account until the relevant information is provided.
- Further information is available on the Irish Revenue website at <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-03-24.pdf>.

### 4. What is a reasonable explanation?

In certain cases where there is a conflict between the tax certification provided at account opening and other customer information that we have on file, AIB is obliged to request a reasonable explanation and documentation supporting the reasonableness of the tax certification provided (refer to Q3).

The explanation required will depend on the specific circumstances of each customer. It should explain why the customer is satisfied that they are tax resident in the country(ies) provided in the tax certification completed at account opening. It should also include a detailed explanation as to why there is a difference between the country(ies) of tax residence included on the tax certification and other information held by AIB.

If we take an example of a customer who certifies that they are Irish tax resident but who has a French mailing address, a reasonable explanation might be that they are living and working in Ireland but continue to have their post sent to their parents address in France.

## 5. What documentation should be provided to support the reasonable explanation?

Customers will be required to submit documentation **from their country(ies) of tax residence** to support the reasonable explanation provided (refer to Q4). The following are examples of the types of documentation that will be accepted:

**A.** a copy of a utility bill (electricity, gas or landline) or home insurance policy, issued in the past 6 months, which includes the customers address in their country(ies) of tax residence;

and

**B.** a copy of one of the following documents which includes the customers address in their country(ies) of tax residence

- Confirmation of tax residence from the appropriate Revenue authority
- A document issued by a government department
- A copy of your Tax Credit Certificate (TCC)
- A Statement of Liability from a Tax Authority
- A social insurance document
- Employment contract
- Payslip
- Lease Agreement

## 6. How should you determine your country(ies) of tax residence?

In general, tax residence is the place where an individual lives. However, in certain circumstances, such as where an individual lives and works in different countries or lives part of the year in a different jurisdiction, the determination of tax residency may be more complicated. Each country has its own rules on tax residency.

For example, Lucy has her permanent home in Derry. However she travels each day to Letterkenny for work, returning in the evening. She does not have a permanent home available to her outside of Derry.

Lucy is tax resident in the UK under UK tax residency rules and is also tax resident in Ireland for the same year as she is present in Ireland for more than 183 days in the tax year. However, as Lucy's permanent home is in Derry, she is tax resident in the UK under the Ireland / UK Double Tax Agreement.

Further examples that may be helpful in determining where you are tax resident are available at <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-03-23.pdf>.

A person coming to live in Ireland or returning to Ireland after living abroad for a number of years may not be tax resident in Ireland from the date of arrival and may continue to be tax resident in the country in which they previously resided. Further information on tax residency and the implications for people coming or returning to live in Ireland is available at <https://www.revenue.ie/en/jobs-and-pensions/tax-residence/index.aspx>. Similarly a person leaving Ireland to live abroad may not cease to be Irish tax resident from the date of departure.

An overview of the tax residency rules of countries participating in CRS can be found at <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency>.

If you move to a new country (on a full time or part time basis) your tax residence may change. Please notify AIB if your country of tax residence changes so that we can update the tax information we hold for you.

## **7. Do you need to provide a Tax Reference Number ('TRN')?**

AIB is required to collect a TRN for any customer that is a US citizen or tax resident outside the Republic of Ireland. Except in the limited circumstances where a customer is tax resident in a country that does not issue TRN's, we may not be able to proceed with opening the new account until a TRN has been provided. Further information on TRN's is available at: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>.

## **8. Do you need to provide a TRN if you are a US Citizen?**

A person born in the US is regarded as a US citizen. Where a customer is a US citizen, we cannot proceed to open a bank account until the customer provides us with a US TRN. The only exception to this would be if the customer can verify that they have renounced their US citizenship. Further detail on our obligations to collect a TRN in these circumstances can be found at: <https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-03-22.pdf>.

Customers can apply to the IRS to obtain a US TRN. Further information on how to apply for a US TRN can be found at: <https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin>.

## **9. How frequently will you have to provide information to AIB for FATCA / CRS purposes?**

Customers should promptly advise AIB of any change in their tax residency status . To the extent that there is a change in the account information of a customer e.g a change of address, we may contact them to complete a new tax certification so that we can update the tax information we hold.

If a customer does not respond to any such request we may be obliged to report details of their financial accounts to Irish Revenue.

## **10. Who will be reported to Revenue under FATCA / CRS?**

Under FATCA, the details of accounts of US citizens and US tax residents will be reported to the Irish Revenue who will exchange these details with US tax authorities, the IRS.

Under CRS, the details of accounts of persons who are tax resident outside of the Republic of Ireland and the US will be reported to the Irish Revenue who may exchange these details with other tax authorities in relevant jurisdictions.

## **11. What information is reported to Revenue under FATCA / CRS?**

In general, financial institutions must report the following information to Revenue:

- the account holder's name, address ,date and place of birth (where available) and US citizenship
- country of tax residence and TRN of the account holder
- the account number
- the account balance or value at year end and
- interest payments made with respect to the account during the calendar year

## **Tax Advice and Disclaimer**

Please note that the information contained in this document is for information purposes only. AIB does not offer tax advice. If you have any questions in relation to FATCA / CRS you should contact your tax advisor or the Irish Revenue at: <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-does-fatca-and-crs-mean-for-an-account-holder.aspx>.

Terms and Conditions apply.

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