

Foreign tax resident reporting

– how the automatic exchange of information affects you

Australia is one of many countries that has committed to new global standards on the automatic exchange of financial account information. This information is required by law to be collected by financial institutions around the world for reporting to tax authorities. Tax authorities will exchange this information to help make sure everyone pays the right amount of tax.

What this means for you

The Australian Government has enacted laws and entered into international agreements. This may affect you as a customer of a financial institution. These laws implement automatic exchange of information (AEOI) with:

- the United States (US) under a system known as the *Foreign Account Tax Compliance Act* (FATCA). This is for US citizens and tax residents only and applies from 1 July 2014
- other countries under the Common Reporting Standard (CRS). The CRS applies to all foreign tax residents from 1 July 2017.

This means Australian financial institutions must identify accounts held by customers who are foreign tax residents or entities connected to foreign tax residents. They must report these accounts to the ATO. We will then report the account information to the foreign tax authorities.

Similarly, overseas financial institutions must identify their Australian tax resident customers and report their accounts through their local tax authorities to us.

If you have an existing account

If you have an existing account, your financial institution may contact you to confirm your country or countries of tax residence. This is to establish whether you have any accounts that need to be reported under the FATCA or the CRS laws.

They may also contact you if their records indicate that you could be a foreign tax resident. This might be because you have provided an address or other information for a country outside Australia.

If you open a new account

From 1 July 2017, your financial institution must ask you to certify your residence for tax purposes if you open a new account. They may ask you to provide forms and documentation. This will apply for most types of financial accounts.

If you are a foreign tax resident, you will need to provide your taxpayer identification number (TIN) or equivalent. This is the number used to identify you to the tax authority in the foreign country. If you don't have one, you will be asked to provide a reason.



Accounts held by entities (such as companies, trusts, partnerships, associations)

If you are opening a new account on behalf of a legal entity or arrangement (such as a trust, partnership, company or association), from 1 July 2017 your financial institution must obtain information from you about:

- the tax residence of the entity
- the nature of the entity's business
- in some circumstances, the individuals who control or beneficially own the entity or have specific connections to the entity. This includes their tax residency and their TIN or equivalent if they are a tax resident outside Australia.

Your financial institution may also contact you for this information for your existing accounts. This will help them comply with their obligations under the FATCA and the CRS laws.

What you need to do

It is important that you respond if your financial institution contacts you requesting information. If you don't respond, they may have to treat you as if you are a tax resident in a country outside Australia, even if you are not.

If you intend to open a new account and do not provide the relevant details, the financial institution must not open the account for you. These requirements help ensure the AEOI laws worldwide are effective. They increase tax transparency by identifying people who have offshore accounts and investments.

You should respond truthfully and to the best of your knowledge when you state your tax residency or provide other information to your financial institution. Penalties may apply if you deliberately or recklessly provide false or misleading information.

What happens with your information

If you are a foreign tax resident under the AEOI laws, your identity details, account balance and other information will be provided to us. We will also receive your information if you were identified as a possible foreign tax resident and you didn't respond to requests for further information. We will then send your information to the tax authority in the country of your tax residency.

If you are an Australian tax resident and you have an account in a financial institution overseas, we will receive your information from the tax authority of that jurisdiction.

All information reported under these laws is handled in the strictest confidence by the ATO and foreign tax authorities. National laws, administrative practices, and binding international treaties protect your information. This is in the same way that all taxpayer information is generally handled.

Foreign tax information

If you have some connection to a foreign country, the following may help you complete forms given to you by your financial institution.

Tax residency

In considering whether you are a tax resident of a country other than Australia, a useful resource is the compilation of rules governing tax residency for other countries on the OECD's Automatic Exchange Portal.

If tax residency information for a specific country is not available from this link, or you need more information for a country, you should contact the tax authority of that country.

See also:

- For more information on tax residency, go to www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency

Tax identification number

If you are a tax resident of a country other than Australia, you will be asked for your tax identification number (TIN) issued to you in that country, if one has been issued to you. TIN is an international term which may have a different name in some countries. If you don't have a TIN or equivalent, you will be asked to provide a reason.

See also:

- For more information on TIN's in different countries, go to www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/

Foreign tax authorities

On the next page is a list of TIN equivalents and the names of tax authorities for some countries.

Disclaimer

This information is to help you understand your and your financial institution's obligations under the AEOI laws. It does not constitute a ruling or binding legal advice. If you have questions about your tax residence status, you should contact the ATO or the tax authority of your country of residence, as applicable, or seek advice from a tax agent or advisor.

For more information go to www.ato.gov.au/CRS

Table 1: Foreign tax authorities by country

Country	TIN or equivalent for individuals	Tax authority
Brazil	Cadastro de pessoas físicas (CPF)	Receita Federal
Canada	Social insurance number (SIN)	Canada Revenue Agency
China	Tax ID number or Chinese ID card number	State Administration of Taxation
Colombia	Single tax registration (RUT)	Dirección de Impuestos y Aduanas Nacionales
Germany	Tax identification number (TIN)	Federal Central Tax Office
Hong Kong	Hong Kong identity card (HKID) number	Inland Revenue Department
India	Permanent account number (PAN)	Income Tax Department
Indonesia	Tax ID number (nomor pokok wajib pajak)	Direktorat Jenderal Pajak
Ireland	Personal public service number (PPS No)	Irish Tax and Customs
Japan	Individual number	National Tax Agency
Malaysia	Income tax number (ITN)	Inland Revenue Board of Malaysia
Nepal	Permanent account number (PAN)	Inland Revenue Department
New Zealand	IRD number	Inland Revenue
Pakistan	National tax number	Federal Board of Revenue
Philippines	Taxpayer identification number	Bureau of Internal Revenue
Singapore	Tax reference number	Inland Revenue Authority of Singapore
South Africa	Tax reference number	South African Revenue Service
South Korea	Resident registration number	National Tax Service
Taiwan	Taxpayer ID number	National Taxation Bureau of Taipei
Thailand	Tax ID number	Revenue Department
UK	National insurance number (NINO) or unique taxpayer reference (UTR)	Her Majesty's Revenue and Customs
United States of America	Social security number (SSN), employer identification number (EIN) or individual taxpayer identification number (ITIN)	Internal Revenue Service
Vietnam	Tax identification number	General Department of Taxation

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