



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

What is Common Reporting Standard (CRS)

In October 2014, over 100 countries endorsed the Standard for Automatic Exchange of Financial Account Information in Tax Matters, better known as the Common Reporting Standard to promote tax transparency and fight against tax evasion.

Who developed Common Reporting Standard (CRS)?

The CRS was developed by the Organisation for Economic Co-Operation and Development (the "OECD"), the G20 countries and the European Union.

What does Common Reporting System (CRS) require and how does it apply to Habib Canadian Bank's clients?

The Department of Finance Canada has introduced legislation adopting the CRS framework effective July 1, 2017, which requires financial institutions in Canada to automatically report financial information on accounts held by non-resident individuals and entities as well as non-resident controlling persons of Passive Non-Financial Entities ("Passive NFEs" such as trusts and foundations) to the Canada Revenue Agency beginning in May 2018. The Canada Revenue Agency will then exchange financial account information, on an annual basis, with the tax authorities of those countries with which Canada has an agreement ("CRS Participating Jurisdictions").

All relevant financial centers are committed to implementing the CRS and many CRS Participating Jurisdictions have already translated the CRS requirements into their domestic law. The first exchange of information required in Canada will be made in 2018 in relation to calendar year 2017.

What information on Habib Canadian Bank's clients is reportable?

Financial institutions situated in Canada are required to identify the tax residency status of their clients and of the controlling persons of Passive NFEs based on a prescribed methodology under the CRS regulations. For each client and controlling person identified as "reportable", the financial institution is required to report information such as:

* Clients/controlling persons identification information including, name, address, tax residence, date and place of birth, tax identification number; and

* General financial account information including all types of investment income (total gross amount of interest, dividends or other similar income and gross proceeds from the sale or redemption of financial assets).

Your obligations and what if you do not provide the requested information?

HCB is firmly committed to implementing this new global standard on tax transparency.

The self-certification form is issued by the Canada Revenue Agency and used by HCB. Other financial institutions are also required to fill out this or a similar form.

We would request you to take this opportunity to review the CRA's Self-Certification Forms covering the data fields necessary under the Common Reporting Standard (CRS) and complete, sign and return this form to us as soon as possible if you have not already done so. In this regard, all information provided by you must be, to the best of your knowledge and belief, true, correct and complete.

By completing the relevant section of the CRA's Self-Certification Form, you may also be confirming that you are the beneficial owner according to the U.S. tax principles of the assets and income related to your Account, or, if there is another beneficial owner, that such beneficial owner is not a U.S. person under U.S. tax principles

For the duration of the contractual relationship with HCB, you should advise the Bank of any changes in circumstances that affect your tax residency status within 30 days of such changes in circumstances.

It is important to note that as per the requirements **if we do not receive** a valid Self-Certification Form from you, we may need to treat your account as "reportable" (a "reportable" account means an account subject to automatic exchange of information under the CRS) to your country of residence based on information already available on file.

Where necessary, we may contact you to request additional information and documentation to confirm your tax residency status.

If you have any reason to believe that you may not be in full compliance with your tax obligations or if you have any questions about how to complete the attached Self-Certification Form, please contact your tax advisor.

Your obligations with respect to Foreign Account Tax Compliance Act (FATCA)

(i) By completing the relevant section of the CRA's Self-Certification Form, you confirm that you are the beneficial owner according to the U.S. tax principles of the

assets and income related to your Account, or, if there is another beneficial owner, that such beneficial owner is not a U.S. person under U.S. tax principles; and

(ii) You undertake to notify us within 30 business days, if there is any change to your status (or that of another beneficial owner) as a non U.S. person under U.S. tax principles.

Contact us if you have questions

Should you have any questions regarding this letter, please do not hesitate to contact us.

From Within Canada : 1 855 82 HABIB (1 855 824 2242) Ext 243 and 250

From Outside Canada : 905 276 5300 Ext 243 and 250

Common Reporting Standard Self-Certification Forms

The self-certification forms are issued by the Canada Revenue Agency and used by HCB. Other financial institutions are also required to fill out this or a similar form. Please click on the relevant form link below.

[Self-Certification Form for Individual\(s\)](#)

[Self-Certification Form for Business](#)