

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

## Frequently Asked Questions – for Individuals and Sole Traders

### What is FATCA and CRS?

The Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) are regulatory regimes focused on the exchange of financial and personal customer information.

Under the CRS legislation, Financial Institutions, which include a number of companies within Lloyds Banking Group, are required to report information on customers whose tax residency is outside of the country where the account is held to the local tax authority. In the UK, for example, this is HM Revenue & Customs (HMRC).

The FATCA legislation requires Financial Institutions outside the United States (US) to report information about customers who are US tax residents or US citizens directly, or via local tax authorities, to the US Tax Authority.

Financial Institutions must identify and report relevant information on:

- Individual Account Holders,
- Entities and,
- in some circumstances, the Controlling Persons of certain Entities

To comply with the requirements, information about certain financial accounts, including but not limited to certain banking, savings and investment accounts, may be reported. The information is mutually exchanged on an annual basis between tax authorities.

### Why are you asking me to complete a Tax Residency Self-certification form?

The CRS and FATCA regulations require us to collect and report certain information about an account holder including their tax residency and Tax Identification Number (TIN).

We ask you to complete a form if:

- we have information that indicates that (as an Account Holder holding a Financial Account) you may be resident for tax purposes **in more than one country**, or
- we **don't have enough information** to determine your country of tax residency.

In both instances you will need to complete a Tax Residency Self-certification form.

We may contact you in future if your circumstances change and the information we hold on record for you changes so that it could affect your tax residency. An example would be if you change your residential address to a new country.

### What do you mean by tax residency?

Your tax residency generally is in the country(ies) where:

- you live and work or
- you have, or have had, to file a tax return or
- where you are subject to income tax.

If you're not sure because your personal circumstances are complicated due to frequent international travel or other factors, you should get professional advice.

### How long do I have to complete the Tax Residency Self-certification form?

You should complete and return the form as soon as possible. If we don't get the form back **within 90 days**, we may be required to share the information we currently hold for you with the appropriate tax authority. This may be incomplete or out of date. You should still return the form even if this date has passed.

### What if I have accounts with other companies?

If you hold accounts under different brands within Lloyds Banking Group, for example with both Bank of Scotland and Halifax, you will receive a request to complete a separate form from each brand. You may also receive requests from other Financial Institutions if you have accounts with them. You'll need to complete each Tax Residency Self-certification form you receive.

### What do I need to send back?

You need to return the enclosed Tax Residency Self-certification form, fully completed, signed and dated. If you don't complete the form fully, we will have to ask you to complete another one.

You may also need to provide certified copies of additional documents and reasonable explanations.

### Will you need to contact me about this again?

We may contact you in future if your circumstances change and the information we hold on record for you changes so that it could affect your tax residency. An example would be if you change your residential address to a new country.

### I am solely a UK tax resident. Do I need to complete a form?

Yes, we may not currently have enough information to determine your country of tax residency, or our records show that you may be resident for tax purposes outside the UK and we need you to confirm if this isn't correct.

### I have an address outside the UK. However, I am not tax resident outside of the UK. Do I need to complete a form?

Yes, we may not currently have enough information to determine your country of tax residency, or our records show that you may be resident for tax purposes outside the UK and we need you to confirm if this isn't correct.

### What information will be shared with the local tax authority?

Depending on the type of account, customer and the legislation that applies, we may report the following information:

- Name
- Address
- Jurisdiction of Tax Residency
- Taxpayer Identification Number (TIN)
- Date of Birth
- Account Number
- Balance or Value of Account
- Gross Interest
- Gross Proceeds
- Gross Dividends
- Gross Other Income or amount paid or credited to the account (such as encashments)

### I have closed my accounts with you. Do I still need to complete a form?

FATCA and CRS reporting is carried out on a yearly basis after the end of each calendar year. If your account(s) have been classified as reportable we will still report them even if they are closed during that calendar year. For this reason, we recommend you complete a Tax Residency Self-Certification form even if you receive it after you have closed your accounts. Once closed, the accounts won't be included in the report for subsequent calendar years.

### If I don't consent to having my data reported will you be in breach of data protection rules?

No, we have to share this data with relevant tax authorities by law. This means we aren't required to get specific consent under the Data Protection Notice (DPN) in the terms and conditions. The information will not be made publicly available and tax authorities have strict controls in place to ensure it is kept securely and privately. You can find full details of our privacy policy in the account terms and conditions.

### Where can I find out more about FATCA and CRS?

You can find further information and definitions of terms at:

<https://www.bankofscotland.co.uk/helpcentre/common-reporting-standard.html>

The Organisation for Economic Co-operation and Development's (OECD) website: <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

The Internal Revenue Service offer more in-depth technical information on the rules: <https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca>

You will also find information on HMRC's website:

<https://www.gov.uk/guidance/automatic-exchange-of-information-introduction>

### What if I need more help and advice to complete the form?

If you can't find all the answers or information you need or, you don't understand your tax obligations, you may want to seek independent tax advice from a tax or financial advisor. We are not authorised or regulated to provide tax advice to customers on FATCA, CRS, or any other tax related matter.

### DEFINED TERMS:

#### Account Holder

The "Account Holder" is the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account.

#### Financial Account

The term "Financial Account" means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account, certain equity or debt interest in investment entities and certain Cash Value Insurance Contracts and Annuity Contracts issued or maintained by a Financial Institution.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628.

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS).

Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

**Our service promise**

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff.

Our complaints procedures are published at <https://business.bankofscotland.co.uk/business-home/contact-us/complaints-procedure.html>