IMPLEMENTATION OF CRS

Guidance Notes

September 2016
(AmendedApril 2019)

.

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List of Abbreviations

AML	Anti-Money Laundering
CIS	Collective Investment Scheme
CRS	Common Reporting Standard
DoB	Date of Birth
FATCA	Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
FI	Financial Institution
IGA	Intergovernmental Agreement
KYC	Know Your Client
MRA	Mauritius Revenue Authority
NFE	Non-Financial Entity
TIN	Tax Identification Number

CHAPTER 1

Background

1.1 General

The globalisation of financial markets has spurred the growth of cross-border capital movements. It is nowadays relatively easy for individuals and entities to hold investments outside their home jurisdiction. Whilst the majority of them are tax compliant, some may seek to keep their money offshore with a view to evade taxes in their home jurisdiction. Offshore tax evasion is a concern all over the world.

It is in the interest of all countries to join forces so as to combat tax evasion and preserve the integrity of their tax systems. Co-operation between tax administrations is essential to achieve those aims. A key aspect of that co-operation is exchange of information in relation to tax residents holding investments in other jurisdictions.

In February 2012, after their meeting in Mexico, the G20 made the following declaration with regard to exchange of information:

> ***"We call upon all countries to join the Global Forum on transparency and to sign on the Multilateral Convention on Mutual Assistance. We call for an interim report and update by the OECD on necessary steps to improve comprehensive information exchange, including automatic exchange of information and, together with the FATF, on steps taken to prevent the misuse of corporate vehicles and improve interagency corporation in the fight against illicit activities."***

As can be seen from the above declaration, the G20 has called for automatic exchange of information as a means to improve comprehensive information exchange to fight against tax avoidance and evasion. The OECD was thus mandated to develop a new global model for automatic exchange of information.

In February 2014, the OECD launched the Common Reporting Standard (CRS) as the new single global standard for automatic exchange of information. The CRS was duly endorsed by the G20.

Further political support for the new global standard on automatic exchange was evidenced at the OECD Ministerial Council Meeting held in Paris on 6-7 May 2014 with the adoption of the Declaration on Automatic Exchange of Information in Tax Matters. The adherents declared the determination to implement the new global standard swiftly and on a reciprocal basis, called on all financial centres to do so without delay, and highlighted the need to provide technical assistance to developing countries to help them benefit from the new standard.

1.2 The CRS

The automatic exchange of information under the CRS involves the systematic and periodic transmission of "bulk" taxpayer information by the source country to the residence country concerning various categories of income (e.g. account balance or value, dividends, interest, royalties, salaries, pensions, etc.).

The CRS builds closely on FATCA and has three components:

- the reporting and due diligence rules;
- the Model Competent Authority Agreement (Model CAA), which contains the detailed rules on the exchange of information; and
- the OECD Commentaries, which provide additional guidance on local implementation of the CAA and CRS.

All documents relating to the CRS are available on the MRA website.
http://www.mra.mu/index.php/business-corporation/crs

The CRS is however to be distinguished from FATCA. It is broader in scope than FATCA, does not apply withholding tax and relies on a multilateral agreement. Whereas FATCA is based on citizenship, the CRS is based on tax residency and caters for multiple reporting in case of multiple residency. Unlike FATCA, the CRS does not include the minimum US$ 50,000 threshold, and thus all the Financial Institutions' accounts are subject to review and potential reporting. A full comparison

of the FATCA Model 1 IGA and the CRS can be found on pages 87 to 101 of the CRS Handbook.

1.3 The Competent Authority in Mauritius

The competent authority to administer the CRS in Mauritius is the Director-General of the MRA. To that effect, a dedicated unit has been created at the Large Taxpayers Department.

For any further information on the CRS, the MRA may be contacted at the following address –

FATCA/CRS Unit
International Taxation Unit
Large Taxpayers Department
Mauritius Revenue Authority
5th Floor, Ehram Court
Cnr Sir Virgil Naz & Mgr Gonin Streets
Port Louis
Tel: (230) 207 6000
Email: fatcacrsunit@mra.mu

CHAPTER 2

Legal and operational framework

2.1 Legal basis

In June 2015, Mauritius signed the Convention on Mutual Administrative Assistance in Tax Matters (the Convention) developed by the OECD. Formalities for the bringing into force of the Convention have been completed for the Convention to enter into force as from 1 December 2015. A copy of the Convention is at Annex 1.

Under the Convention, information can be exchanged on request, spontaneously or automatically. Thus, Mauritius will be able to exchange information automatically on a reciprocal basis with all those jurisdictions that have signed the Convention.

To enable the implementation of the CRS, the Income Tax Act has been amended accordingly. A new paragraph has been added to section 76. It reads as follows:

(5A) For the implementation of an arrangement under subsection (1) –

(a)The Director-General may require any person to:

(i) establish, maintain and document such due diligence procedures as the Director-General may determine;

(ii) provide the Director-General with information of a specified description;

(b) Any information required under subparagraph (ii) shall be provided to the Director-General at such time and in such form and manner as he may determine.

To safeguard the confidentiality of information exchanged in respect of taxes of every kind and description covered under an agreement, Section 76 of the Income Tax Act has also been amended accordingly.

2.2 Operational Basis

Mauritius, has made a commitment to implement the new global standard for automatic exchange of information, the CRS. Mauritius has, in October 2014, signed the Multilateral Competent Authority Agreement (MCAA) which provides for automatic exchange of information with other Competent Authorities. A copy of the MCAA is attached as Annex 2.

The MCAA has been concluded under Article 6 of the Convention which specifically provides that two or more parties can mutually agree to exchange information automatically. The actual exchange of the information itself will be on a bilateral basis. The MCAA links the CRS to the legal basis for exchange.

The MCAA requires each jurisdiction to implement laws that require Financial Institutions to identify and report information on accounts held by persons resident in the partner jurisdiction. This includes accounts held in the person's own name as well as accounts held by one or more entities controlled by a person of the partner jurisdiction.

2.3 Confidentiality

Confidentiality of taxpayer information is a fundamental cornerstone for the proper implementation of CRS. Particular provisions to that effect have been made in Section 5 of the MCAA.

An expert panel of the Global Forum on Transparency and Exchange of Information for Tax Purposes has on the basis of an assessment concluded that the level of confidentiality and data safeguards in place at the MRA is of the required standard.

Mauritius will effectively exchange information with Participating Jurisdictions that have put in place proper framework to ensure confidentiality of exchanged information.

Information obtained and exchanged is treated as secret and protected in the same manner as information obtained under the domestic law. It also imposes limitations on the use and disclosure of the information.

2.4 Purposes of these Guidance Notes

These Guidance Notes aim at providing practical assistance to Financial Institutions, businesses, their advisers and officials dealing with the implementation of the CRS. They should be used as a reference source alongside the Commentaries to the CRS and the CRS Handbook, (both of which are available on the MRA website) for the purposes of implementation of CRS into Mauritius' domestic framework. Accordingly, the Guidance Notes should be interpreted consistently with the CRS Commentaries and the CRS Handbook.

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These Guidance Notes are also a notice to all stakeholders falling within the scope of the CRS to comply with the requirements laid down under Section 76 (5A) of the Income Tax Act in the implementation of CRS. Thus, they will have to:

(i) establish, maintain and document such due diligence procedures as mentioned in these Notes;

(ii) provide the Director-General with information of the description specified in these Notes; and

(iii) provide those information to the Director-General at such time and in such form and manner as laid down in these Notes.

CHAPTER 3

Operation of the CRS

3.1 Introduction

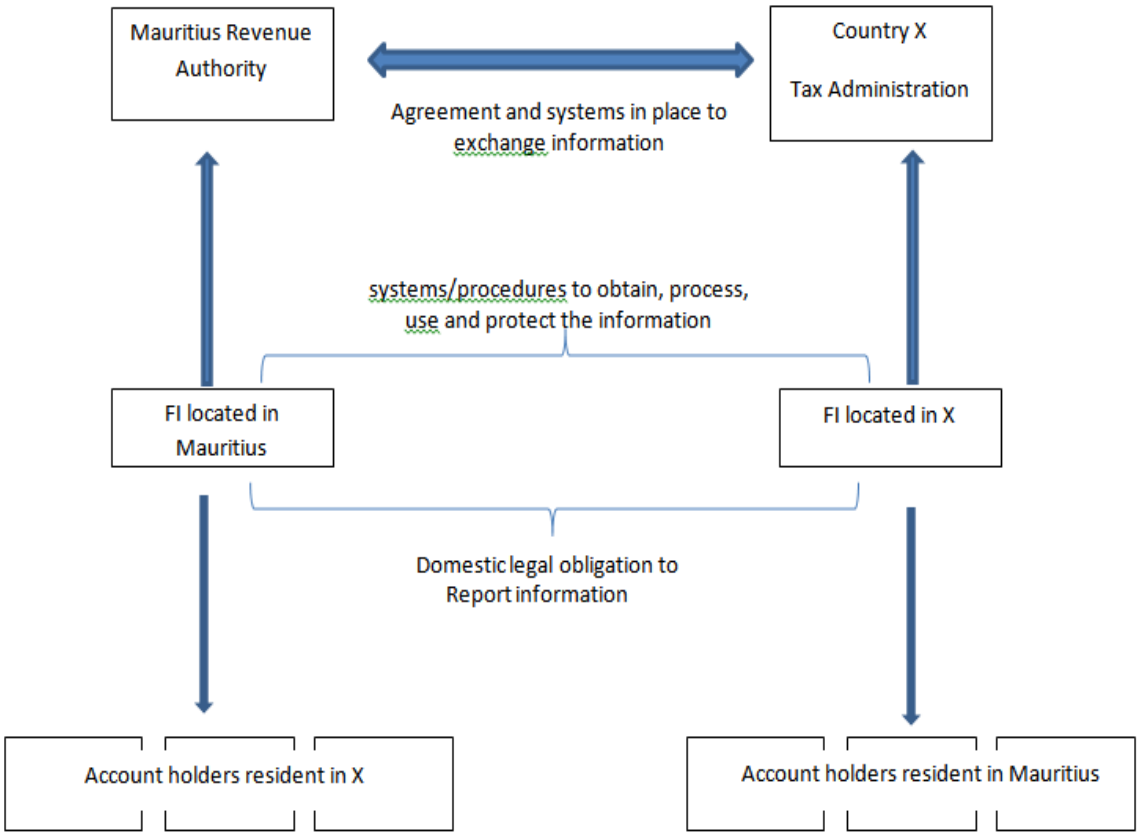
Under the CRS, the MRA receives from the relevant Mauritius Financial Institutions (FIs), the information required to be disclosed and transmits that information to the relevant tax authorities. The MRA acts as the intermediary between the FI and the Revenue Authority of the Participating Jurisdictions.

FIs are required to submit their reports electronically to the MRA for onward transmission to the relevant tax authorities. The MRA encrypts reports submitted by the FIs before transfer to the tax authority using secured file transfer protocol. The MRA also informs FIs and displays notification messages on the MRA Portal as and when received from the concerned tax authority.

It is the responsibility of each FI to decide whether it should get registered with the MRA in respect of the CRS and to provide the correct information in the required format to the MRA for exchange with the foreign tax authorities.

The MRA will monitor compliance by FIs with domestic legal requirements and, as necessary, will enforce the provisions of the Income Tax Act.

The diagram below outlines the roles of the various stakeholders involved in the implementation of the CRS.



3.2 The Wider Approach

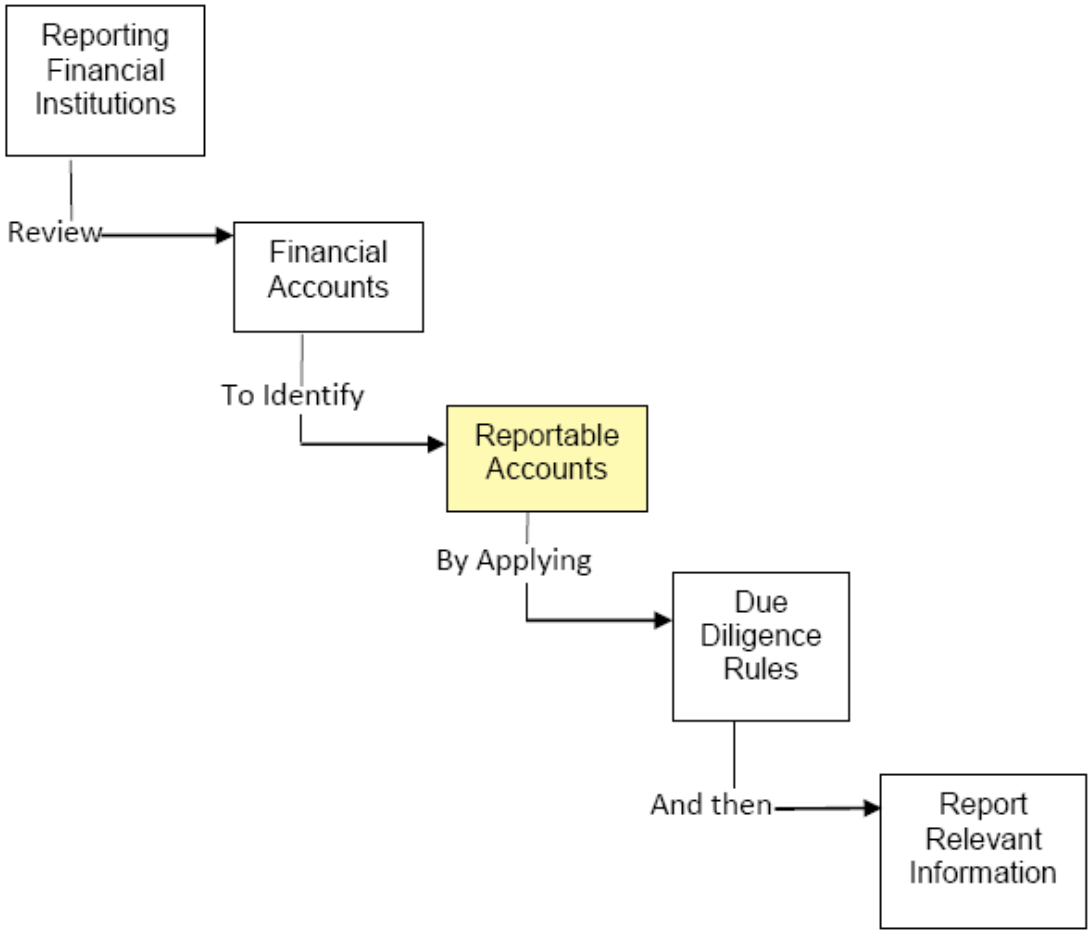
FIs are required to adopt the wider approach to review their procedures for existing and new clients once and for all. This big bang approach would reduce customer contact and implementation costs for FIs.

The wider approach is intended to enable FIs to capture and maintain information on the tax residence of Account Holders irrespective of whether or not that Account Holder is a Reportable Person for any given reportable period.

This would spare the FIs from carrying out additional review and on-boarding changes each time a new country is added to the list of Reportable Countries. The latter will only have to review change of circumstance, if any, relating to the Account Holder or Controlling Person's tax residence.

3.3 Steps to be followed by Financial Institutions

The following figure depicts the different steps for reporting of information by FIs under the CRS to their relevant tax authorities.



3.4 Timetable for reporting

Reporting Year	In respect of	Information to be reported	Reporting date to the MRA
2017	Each Reportable Person either • holding a Reportable Account, or • as a Controlling Person of an entity account	• Name • Address • Jurisdiction of residence • Tax Identification Number (TIN) • Date of Birth • Place of Birth • Account number or functional equivalent. • Name and identifying number (if any) of reporting financial institution. • Account balance or value.	31 July 2018
	• Custodial Accounts	• Total gross amount of interest. • Total gross amount of dividends. • Total gross amount of other income paid or credited to the account. • The total gross proceeds from the sale or redemption of property paid or credited to the account.	
	• Depository Accounts	The total amount of gross interest paid or credited to the account in the calendar year.	

	• Other Accounts	The total gross amount paid or credited to the account including the aggregate amount of redemption payments made to the Account Holder during the calendar year.	31 July 2018

CHAPTER 4

Financial Institutions

4.1 Categories of Financial Institutions

Similar to FATCA, there are four categories of FIs covered under the CRS:

(a) Depository Institution;

(b) Custodial Institution;

(c) Investment Entity; and

(d) Specified Insurance Company.

Each category is determined by set criteria.

Where an entity does not meet the definition of an FI in any of the categories, then it will be classified as Non-Financial Entity (NFE).

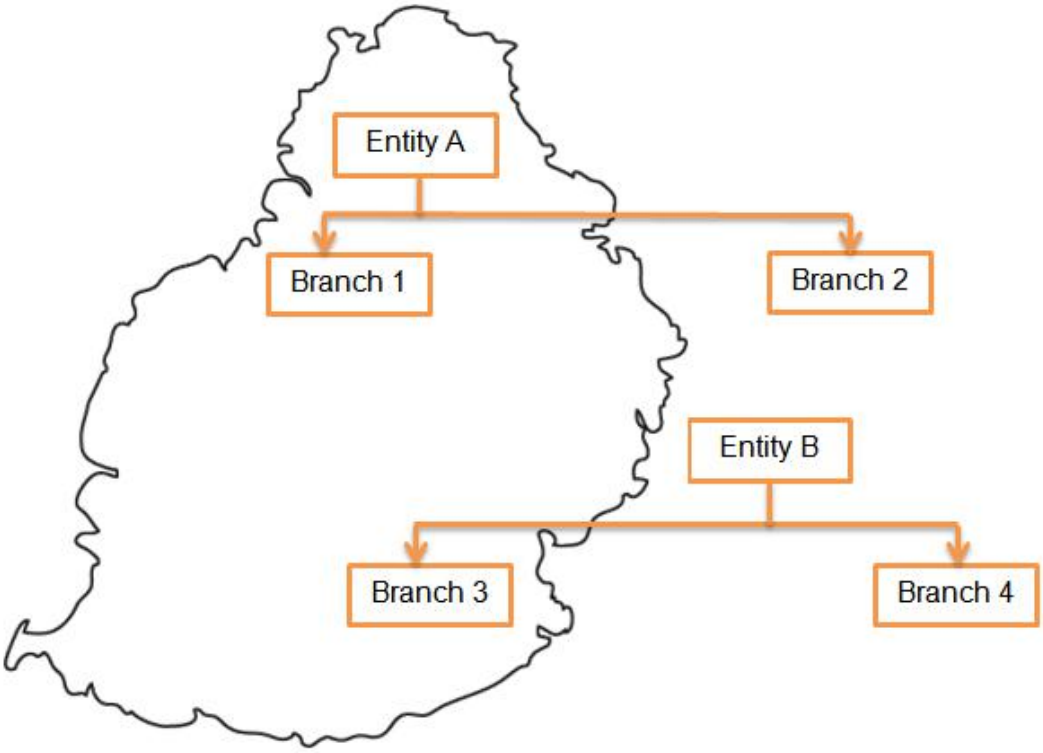
4.2 Mauritius Financial Institution

A Mauritius Financial Institution is:

(a) any FI that is resident in Mauritius, but excludes any branch of that FI that is located outside Mauritius, and

(b) any branch of an FI that is not resident in Mauritius, if that branch is located in Mauritius,

as illustrated below:



Entity A will report only on Branch 1 while Entity B will report on Branch 3 to the MRA.

However, where branches located outside Mauritius act as introducers of business to a Mauritius FI resulting in the financial accounts being held and maintained by the Mauritius FI, the Mauritius FI will be required to undertake the appropriate due diligence procedures and report the details of the accounts to the MRA.

4.3 Determination of residence status of Financial Institutions

A Financial Institution is “resident” in a Participating Jurisdiction if it is subject to the jurisdiction of such Participating Jurisdiction (i.e. the Participating Jurisdiction is able to enforce reporting by the Financial Institution). In general, where a Financial Institution is resident for tax purposes in a Participating Jurisdiction, it is subject to the jurisdiction of such Participating Jurisdiction and it is, thus, a Participating Jurisdiction Financial Institution. See pages 158 and 159 of the CRS.

the definition of tax residence in Mauritius varies depending on the type of entity.

Residence is defined in Section 73 of the Income Tax Act 1995 as follows –

(a) **A company**

A resident company is one which –

(i) is incorporated in Mauritius; or

(ii) has its central management and control in Mauritius;

(b) **A société**

A resident société –

(i) means a société which has its seat or *siège* in Mauritius; and

(ii) includes a société which has at least one associate or *associé* or *gérant* resident in Mauritius;

(c) **A trust**

A resident trust is one –

(i) which is administered in Mauritius and where a majority of the trustees are resident in Mauritius; or

(ii) where the settlor of the trust was resident in Mauritius at the time the instrument creating the trust was executed;

(d) **A foundation**

A resident foundation is a foundation which

(i) is registered in Mauritius; or

(ii) has its central management and control in Mauritius;

(e) **Other associations**

Any other association or body of persons is resident in Mauritius if the association or body of persons is managed or administered in Mauritius.

Thus, any person meeting the conditions specified in Section 73 of the Income Tax Act and applicable to that person will be considered resident for CRS purposes.

4.3.1Residence status of Category 2 Global Business Licence

While a company holding a Category 1 Global Business Licence is clearly a resident of Mauritius, the question is whether a company holding a Category 2 Global Business Licence is also to be treated as resident in Mauritius for CRS purposes. The answer is yes since such a company is incorporated in Mauritius or has its central management and control in Mauritius, but is considered non-resident only for treaty-benefit purposes by virtue of Section 73A of the Income Tax Act.

4.3.2 Trusts filing declaration of non-residence

Trusts filing a declaration of non-residence under section 46(3) of the Income Tax Act will be considered as resident in Mauritius for CRS purposes'.

4.3.3 Dual Residence

Where an entity, other than a trust, is resident in two or more Participating Jurisdictions, it is required to report the Financial Account it maintains to the tax authorities in each of the Jurisdictions in which it maintains them.

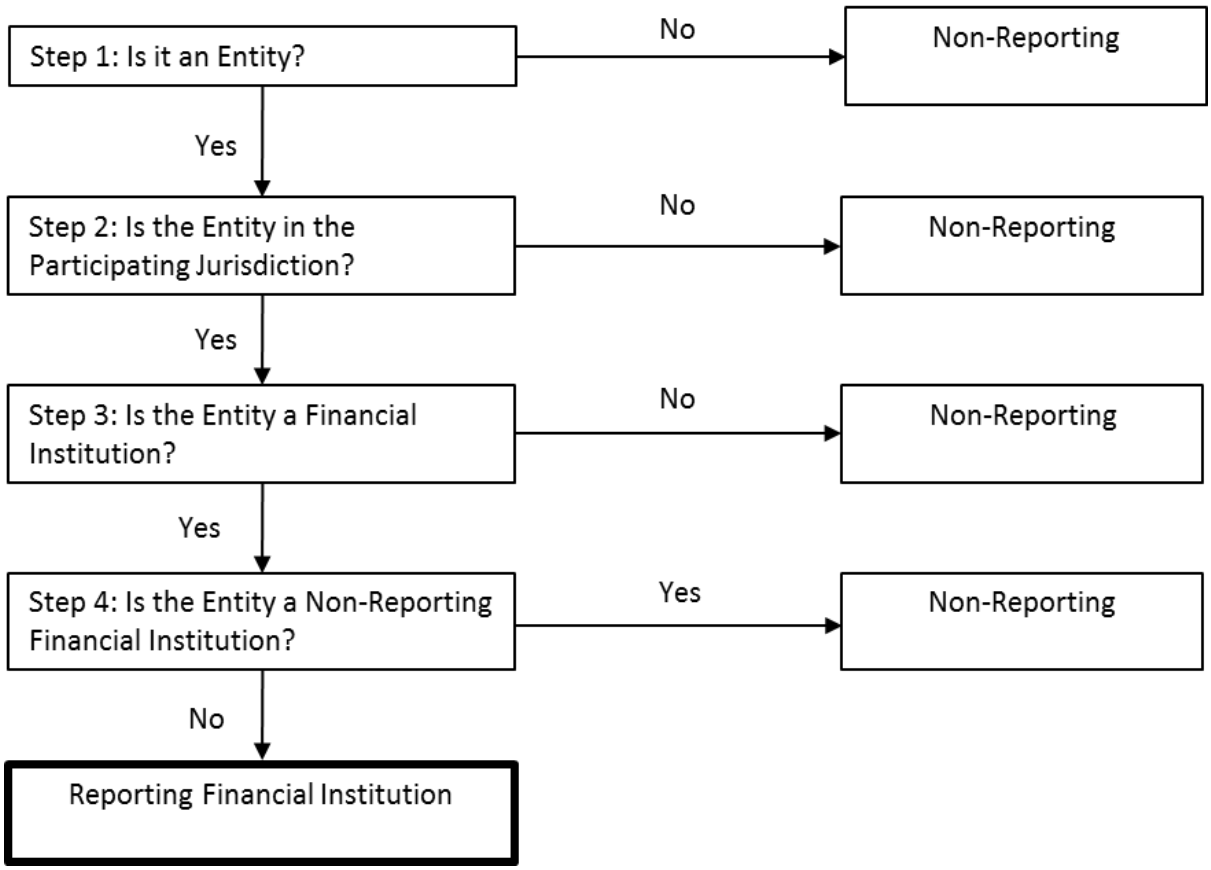
Thus if an FI is resident in Mauritius as well as in any other jurisdiction, it will still have to operate the CRS in respect of any Reportable Account maintained in Mauritius.

In the case of a trust, notwithstanding the provisions of the Income Tax Act, it is considered to be resident in Mauritius for reporting purposes if one or more of its trustees are resident in Mauritius, unless all the information required to be reported in relation to the trust is reported to another Participating Jurisdiction's tax authority because it is treated as resident for tax purposes there.

4.4 Reporting Mauritius Financial Institutions

A Mauritius FI can be classified either as a Reporting Financial Institution or a Non-Reporting Financial Institution. A Reporting Financial Institution is required to collect and report relevant information to the MRA.

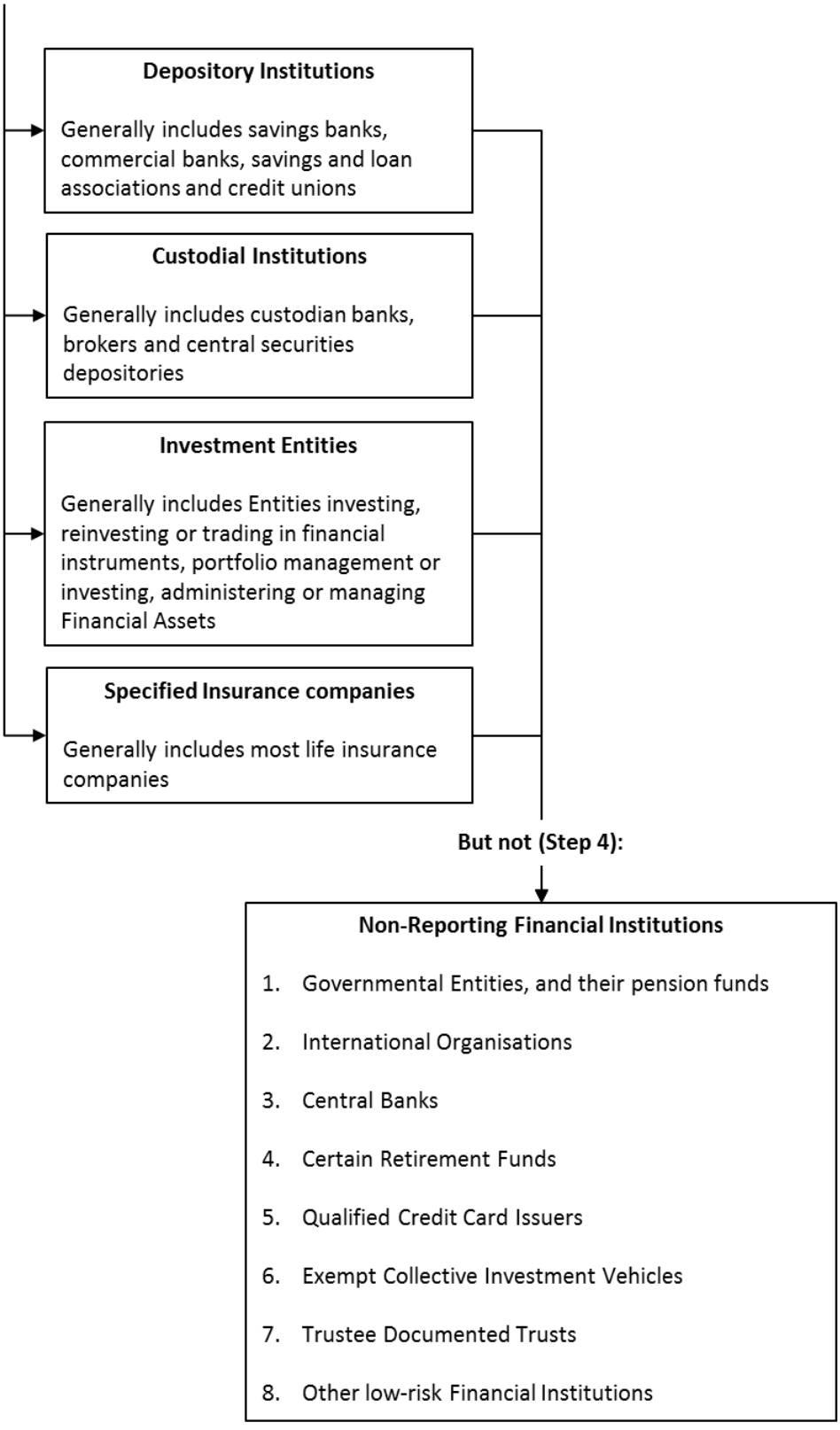
The four step test approach to identify a Reporting Financial Institution is reproduced below:



Each of these steps is fully described on pages 35-38 of the CRS Handbook.

The CRS defines the term “Financial Institution” before breaking down the definition into various categories. The definition of the term “Financial Institution” and the various categories are shown in the figure below:

Reporting Financial Institutions are defined as (Step 3):



4.5 Financial Institutions further defined

4.5.1 Depository institution

A “Depository Institution” is any entity that accepts deposits in the ordinary course of a banking or similar business. Entities that fall within this definition include entities regulated in Mauritius as banks or non-bank deposit taking institutions. The list is available on the website of the Bank of Mauritius at https://www.bom.mu/

4.5.2 Custodial institution

A “Custodial Institution” is any entity that holds, as a substantial portion of its business, Financial Assets for the account of others.

A ‘substantial portion’ means the entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of:

- the three-year period that ends on 31 December prior to the year in which the determination is being made; or
- the period during which the entity has been in existence.

“Income attributable to holding Financial Assets and related financial services” means :

- custody, account maintenance, and transfer fees;
- commissions and fees earned from executing and pricing securities transactions with respect to Financial Assets held in custody;
- income earned from extending credit to customers with respect to Financial Assets held in custody (or acquired through such extension of credit);
- income earned on the bid-ask spread of Financial Assets held in custody; and
- fees for providing financial advice with respect to Financial Assets held in (or potentially to be held in) custody by the entity; and for clearance and settlement services.

Entities that safe keep Financial Assets for the account of others, such as custodian banks, brokers and central securities depositories, would generally be considered as Custodial Institutions.

Entities that do not hold Financial Assets for the account of others, such as insurance brokers, will not be Custodial Institutions.

Where an entity has no operating history at the time its status as a Custodial Institution is being assessed, it will be regarded as a Custodial Institution if it expects to meet the gross income threshold based on its anticipated functions, assets and employees. Consideration must be given to any purpose or function for which the entity is licensed or regulated (included those of any predecessor).

There may be circumstances where an entity holds Financial Assets for a customer where the income attributable to holding the Financial Assets or providing related financial services either belongs or is otherwise paid to a connected party such as another company in the same group of companies. This may be because the entity holds assets for a customer of a connected party, or simply that any consideration is paid to a connected party, either as an identifiable payment or as one element of a consolidated payment. In that case, the attributable income should be taken account of when applying the 20% test.

Where an entity holds Financial Assets that are the property of a connected person, for example, a company may hold the Financial Assets of some or all members of the group to which it belongs, and no or nominal fees are paid for that service, (i.e fees not at arm's length) consideration should be given to what would have been paid by an arm's length customer when applying the 20% test.

4.5.3 Investment Entity

The term “Investment Entity” includes two types of entities:

(i) entities that primarily conduct as a business investment activities or operations on behalf of other persons, and

(ii) entities that are managed by those Entities or other FIs.

(a) Investment Entity conducting business on behalf of customers

The first type of “Investment Entity” is any entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- Trading in
    - money market instruments (cheques, bills, certificates of deposit, derivatives, etc.);
    - foreign exchange; exchange, interest rate and index instruments;
    - transferable securities;
    - commodity futures;
- Individual and collective portfolio management; or
- Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons.

Such activities or operations do not include rendering non-binding investment advice to a customer.

An entity will be regarded as primarily conducting the above mentioned activities as a business if its gross income from conducting those activities is at least 50% of its total gross income during the shorter of:

- The three year period ending on 31 December in the year preceding that in which its status as in investment entity is to be determined; or
- The period in which the entity has been in existence.

(b) Managed Investment Entity

The second type of “Investment Entity” is any entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the entity is managed by an FI **AND** meets the Financial Asset test as described below.

An entity is “managed by” another entity if the managing entity performs, either directly or through another service provider, any of the activities or operations described above on behalf of the managed entity.

However, an entity does not manage another entity if it does not have discretionary authority to manage the entity’s assets (in whole or part).

Where an entity is managed by a mix of Financial Institutions, NFEs or individuals, the entity is considered to be managed by another entity if one of the entities so involved in the management of the entity is an FI as defined by the CRS.

An entity meets the Financial Assets test if its gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets. This test is similar to the one described above and requires that at least 50% of its income is attributable to investing, reinvesting, or trading in Financial Assets in the shorter of:

- the three-year period ending on 31 December of the year preceding the year in which the determination is made; or
- the period during which the entity has been in existence.

4.5.3.1 Further Guidance

An entity would generally be considered as an Investment Entity if it functions or holds itself out as a collective investment vehicle, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buy-out fund or any similar investment vehicle established with an investment strategy of investing, reinvesting, or trading in Financial Assets.

An entity that primarily conducts as a business investing, administering, or managing non-debt, direct interests in real property on behalf of other persons, such as a type of real estate investment trust, will not be an Investment Entity.
The term “Investment Entity” shall be interpreted in a manner consistent with similar language set forth in the definition of “Financial Institution” in the Financial Action Task Force Recommendations.

For the purposes of the ”managed by” test, a distinction should be made between one entity ‘managing’ another and one entity ‘administering’ another. For instance, the following services provided by an entity to another will not constitute the latter entity being “managed by” the former:

- Provision of co-secretary and/or company secretarial services
- Provision of registered office
- Preparation of final financial statements (from company books and records)
- Preparation of Tax and/or VAT returns
- Provision of bookkeeping services including budgeting and cash-flow forecasts.

The following examples illustrate the application of the tests described above:

Example 1

Investment Advisor – Advice Co Ltd, provides advice and management of securities held by a number of clients. The securities meet the definition of Financial Assets. Almost 80% of the gross income of Advice Co Ltd for the last three years has come from providing such services. Advice Co Ltd primarily conducts a business of managing Financial Assets on behalf of clients and is, therefore, an Investment Entity.

Example 2

Entity Carrying on Business Managed by a Financial Institution – Investment Fund X primarily invests in equities on behalf of customers. Fund X is managed by

Invest Co Ltd, an FI. Fund X was formed two years ago since when it has earned 90% of its income from these activities. Fund X is an Investment Entity because it primarily conducts as a business one or more of the relevant activities or operations for or on behalf of a customer. It is not relevant that it is managed by an FI as it is an Investment Entity by virtue of its own business activities.

Example 3

Entity Managed by a Financial Institution – Investment Partnership LLP is a vehicle set up to invest its members' contributions in Financial Assets, it invests in its own right and has no customers. The LLP is managed by Invest Co Ltd, an FI. The LLP has been investing for several years and its income is derived exclusively from its investment activities. As the LLP is managed by an FI and at least 50% of its income in the last three years is primarily attributable to investing, reinvesting or trading in Financial Assets it will be an Investment Entity.

Example 4

Entity Managed by a Foreign Financial Institution – the facts are the same as in example 3 except that Investment Partnership LLP is managed by Invest Co GmbH, a German financial institution. The fact that the LLP is managed by an FI resident in another jurisdiction does not alter its status. It will be an Investment Entity, because it is managed by an FI and more than 50% of its gross income is primarily attributable to investing, reinvesting or trading in Financial Assets.

Example 5

Property Fund Managed by a Financial Institution – Fund P is an investment fund that invests solely in non-debt direct interests in real property. Fund P is managed by Invest Co Ltd, an FI. Fund P has structured its holdings in property through a company, P Ltd, which has four wholly owned subsidiaries each of which has invested in a property. Fund P will not be an Investment Entity as although it is managed by an FI, none of its gross income is attributable to investing, reinvesting or trading in Financial Assets as the assets it holds are non-debt direct interests in real property.

Example 6

Entity Managed by an Individual – Ben, an individual, runs a business providing advice to clients on investments in Financial Assets and has discretionary authority to manage Financial Assets on behalf of clients. One of his clients is a company, Z Ltd that has earned more than 50% of its gross income in the last three years from investing, reinvesting and trading in Financial Assets. Ben primarily conducts investment-related activities on behalf of clients. Ben is not an investment entity because he is an individual. Z Ltd, however, is nonetheless an investment entity because it primarily conducts as a business one or more of the relevant activities or operations for or on behalf of a customer (note: in practice, it is unlikely that such an entity would appoint an individual to manage its assets).

Example 7

Family Trust Managed by an Individual - see Example 6 above: if Ben managed the assets of a family trust, the trust would not be an investment entity as it is neither primarily conducting as a business one or more of the relevant activities or operations for or on behalf of a customer, and although its gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, it is not an entity that is managed by an FI (because Ben, as an individual, cannot be an FI). (Note: in practice, a trust holding assets on behalf of a family arrangement will typically appoint a company or partnership to manage its assets but some family trusts may instead appoint a suitably qualified individual).

Example 8

Family Trust with a Corporate Trustee – The ABC family trust's gross income is primarily attributable to investing, reinvesting or trading in Financial Assets. The trust was set up on the advice of a law firm and that firm's own corporate trustee is the trustee of the trust. The corporate trustee acts for the law firm's clients without itself charging any fees to the clients. Even though the corporate trustee does not charge, it is an FI as its related entity (the law firm) is charging the clients for these services, it therefore primarily conducts as a business for or on behalf of a customer the

prescribed activities. This in turn means that the ABC family trust is also an Investment Entity.

4.5.3.2 Investment Advisers and Investment Managers

An Investment Entity that is otherwise a Reporting Financial Institution in Mauritius solely because it;

1. renders investment advice to, and acts on behalf of, or

2. manages portfolios for, and acts on behalf of,

a customer for the purposes of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity will not be treated as maintaining Financial Accounts in the sense of the CRS. Therefore, while these are Investment Entities, they do not have any Financial Accounts to report on.

4.5.4 Specified Insurance Company

A Specified Insurance Company is any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

An “insurance company” is an Entity:

(i) that is regulated as an insurance business under the laws of Mauritius;

(ii) the gross income of which (for example, gross premiums and gross investment income) arising from insurance, reinsurance, and Annuity Contracts for the immediately preceding calendar year exceeds 50% of total gross income for such year; or

(iii) the aggregate value of the assets of which associated with insurance, reinsurance, and Annuity Contracts at any time during the immediately preceding calendar year exceeds 50% of total assets at any time during such year.

Most life insurance companies would generally be considered Specified Insurance Companies. Entities that do not issue Cash Value Insurance Contracts or Annuity

Contracts nor are obligated to make payments with respect to them, such as most non-life insurance companies, most holding companies of insurance companies, and insurance brokers, will not be Specified Insurance Companies.

The reserving activities of an insurance company will not cause the company to be a Custodial Institution, a Depository Institution, or an Investment Entity.

4.6 Non-Reporting Financial Institutions

An entity falling within the Non-Reporting FIs category will not have any reporting obligation in relation to any Financial Account that it may maintain. Reporting FIs will not be required to review or report on accounts held by such Non-Reporting FIs.

Non-Reporting Financial Institutions are entities that fall within the following categories –

- Government Entity;
- International Organisations;
- Central Bank of Mauritius;
- Funds –
  - Broad Participation Retirement Fund; and
  - Narrow Participation Retirement Fund;
- Pension Funds of Non-Reporting Financial Institutions;
- Qualified credit card issuer;
- Exempt Collective Investment Vehicle;
- Low-risk Non-Reporting Financial Institutions; and
- Trustee-Documented Trust.

Details in respect of these categories of Non-Reporting Financial Institutions are at Annex 3 of these Guidance Notes.

4.7 Related Entities

An entity is a “Related Entity” of another entity if:

(a) either an entity controls the other entity;

(b) the two entities are under common control; or

(c) the two entities are Investment Entities described in VIII. A 6(b) of the CRS, are under common management, and such management fulfils the due diligence obligations of such Investment Entities.

For this purpose, control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

4.8 Non Financial Entity (NFE)

The term “NFE” means any entity that is not an FI. There are two categories of NFEs:

- Active NFE
- Passive NFE

(a) Active NFE

The term “Active NFE” means any NFE that meets any of the following criteria:

(i) less than 50% of the NFE’s gross income for the preceding calendar year is passive income and less than 50% of the assets held by the NFE during the

preceding calendar year are assets that produce or are held for the production of passive income;

(ii) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an entity the stock of which is regularly traded on an established securities market;

(iii) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an entity wholly owned by one or more of the foregoing;

(iv) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of an FI, except that an entity does not qualify for this status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

(v) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of an FI, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;

(vi) the NFE was not an FI in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of an FI;

(vii) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not FIs, and does not provide financing or hedging services to any entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of an FI; or

(viii) the NFE meets all of the following requirements:

A. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural,

athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

B. it is exempt from income tax in its jurisdiction of residence;

C. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

D. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and

E. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.

Passive Income

Passive income would generally be considered to include the portion of gross income that consists of:

a) dividends;

b) interest;

c) income equivalent to interest;

d) rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE;

e) annuities;

f) the excess of gains over losses from the sale or exchange of Financial Assets that gives rise to the passive income described previously;

g) the excess of gains over losses from transactions (including futures, forwards, options, and similar transactions) in any Financial Assets;

h) the excess of foreign currency gains over foreign currency losses;

i) net income from swaps; or

j) amounts received under Cash Value Insurance Contracts.

Passive income will not include, in the case of an NFE that regularly acts as a dealer in Financial Assets, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.

(b) Passive NFE

The term "Passive NFE" means any:

(i) NFE that is not an Active NFE; or

an Investment Entity described in Section VIII A(6) of the CRS , that is not a Participating Jurisdiction Financial Institution.

CHAPTER 5

Financial Accounts

5.1 Introduction

A Financial Account is an account maintained by an FI. Reporting FIs are required to review the Financial Accounts they maintain to identify whether any of them need to be reported to the MRA.

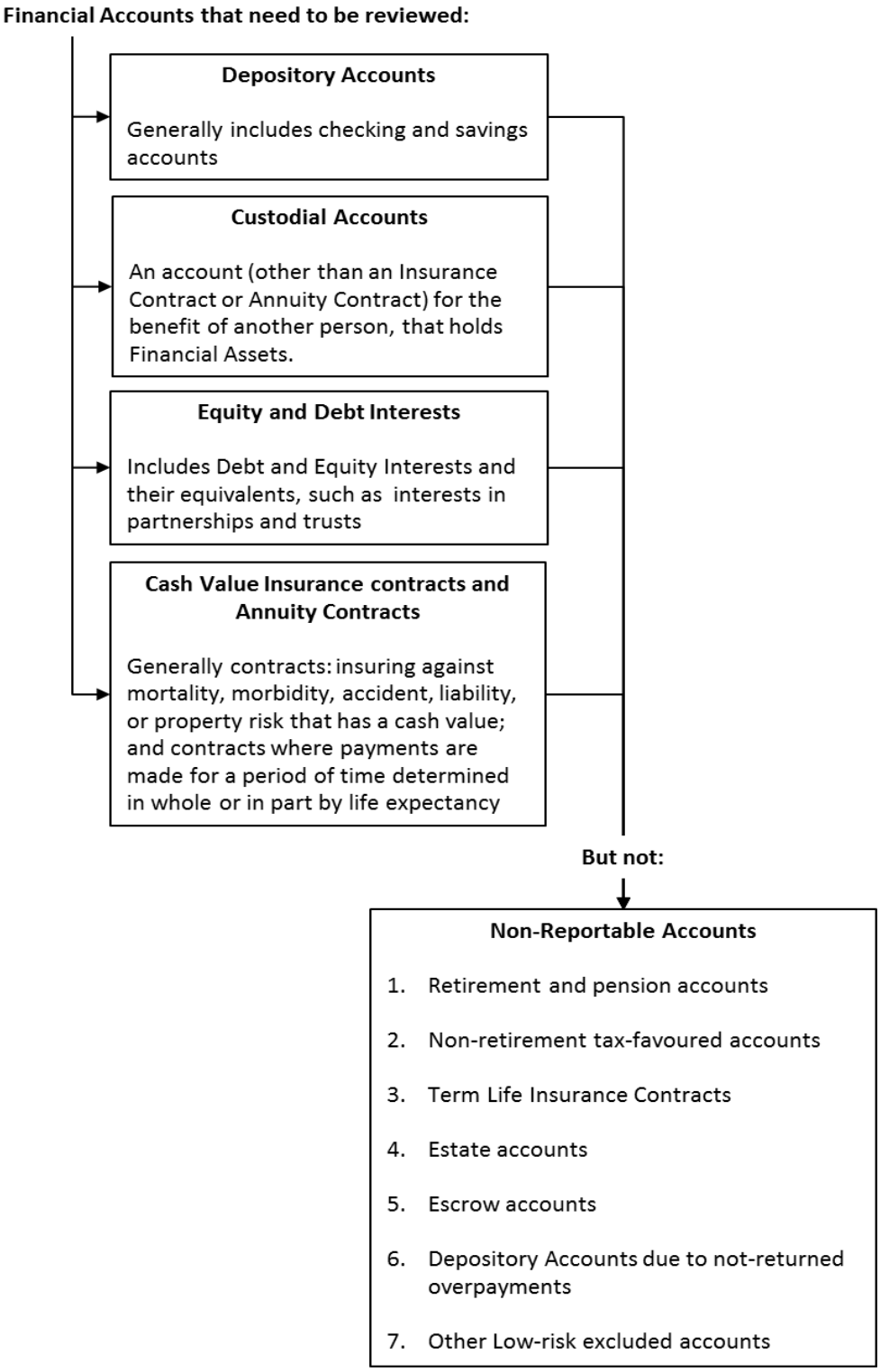
5.2 Categories of Financial Accounts

The term “Financial Account” includes the following categories of Financial Accounts:

Categories of Financial Accounts	Financial Institution that is generally considered to maintain them
Depository Accounts	The FI that is obligated to make payments with respect to the account (excluding an agent of the FI).
Custodial Accounts	The FI that holds custody over the assets in the account.
Equity and Debt Interest in an Investment Entity	The issuer of the equity or debt interest maintained by the investment entity.
Cash Value Insurance Contracts	The FI that issues or, if different, is obligated to make payments with respect to the contract.
Annuity Contracts	The FI that issues or, if different, is obligated to make payments with respect to the contract.

Certain Financial Accounts are seen to be low-risk of being used to evade tax and are specifically excluded from the need to be reviewed.

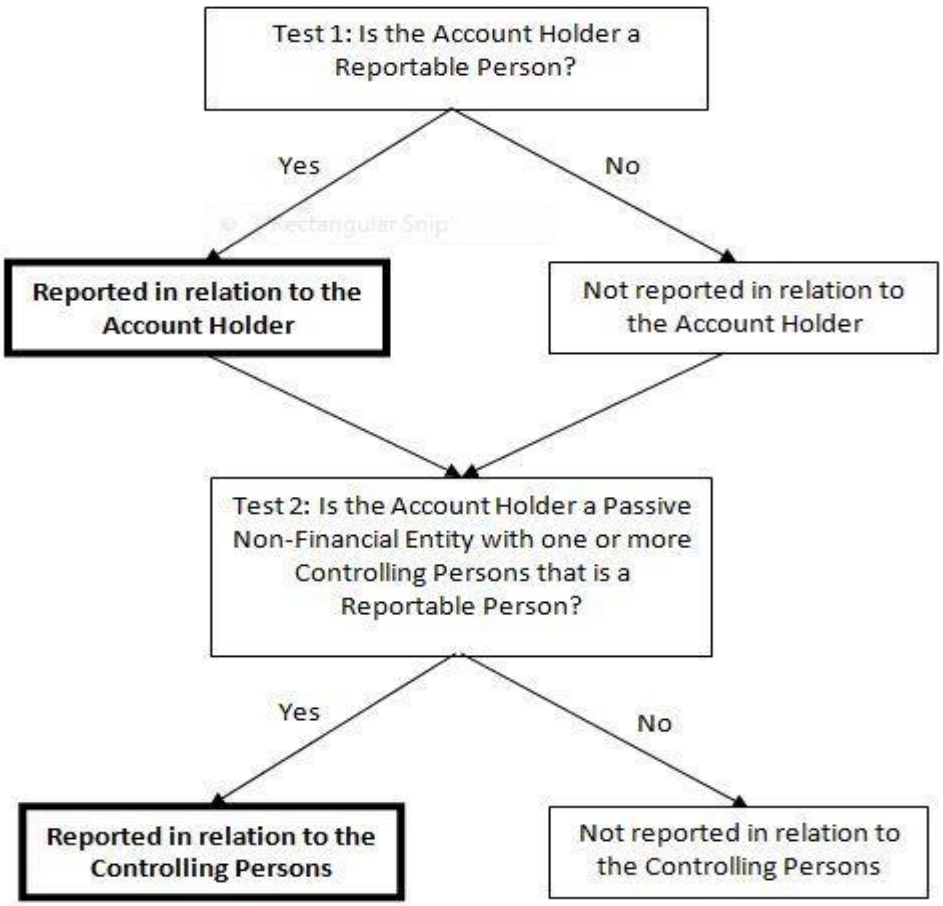
The figure below sets out the categories of Financial Accounts along with the different types of excluded accounts



5.3 Reportable Account

Once an FI has identified the Financial Accounts it maintains, it needs to review all those accounts to identify the territory in which the Account Holder is tax resident and maintain the information for future use. This is the wider approach. To the extent that any of the Account Holders are identified as tax resident in one or more Reportable Jurisdictions (i.e Jurisdictions with which agreements are in place to provide information under the CRS), the account will be a Reportable Account which must be reported to the MRA.

A Reportable Account is defined as an Account held by one or more Reportable Persons or by a Passive Non-Financial Entity with one or more Controlling Persons that is a Reportable Person. To establish whether an account is a Reportable Account, two tests are required, as set out below:



Controlling Persons

Controlling Persons are defined as natural persons who exercise control over an entity and should be interpreted in line with FATF Recommendations (as adopted in February 2012). Please refer to pagers 198 and 199 of the CRS.

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In the case of a Trust this means –

- the settlor;
- the trustees;
- the protector (if any);
- the beneficiaries or class of beneficiaries; and
- any other natural person exercising ultimate effective control over the Trust.

In the case of a legal arrangement other than a Trust, it means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Recommendations of the Financial Action Task Force. In its interpretive note to the definition of "controlling ownership interest", the FATF states that it depends on the ownership structure of the company and may be based on a threshold. As per the Banking Act 2004, a threshold of 20 per cent is required to be applied by Financial Institutions. Therefore, for CRS Financial Institutions should identify controlling ownership interest using the 20% threshold, same as for FATCA.

5.4 Depository Account

A Depository Account includes any commercial, current, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by an FI in the ordinary course of a banking or similar business.

A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.

An account that is evidenced by a passbook would generally be considered a Depository Account. However, negotiable debt instruments that are traded on a regulated market or over-the-counter market and distributed and held through FIs would not generally be considered Depository Accounts, but Financial Assets.

A Depository Account does not have to be an interest bearing account.

A Depository Account will include a credit balance on a credit card, for example where a purchase has been refunded, provided the credit card has been issued by a credit card company engaged in banking or a similar business.

Credit cards will not be reportable as Depository Accounts if the credit card issuer meets the conditions to be a qualified credit card issuer and is therefore a Non-Reporting FI. Similarly, where an FI does not satisfy the requirements to be a qualified credit card issuer, but accepts deposits when a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility, it may still not have to report the account as a Depository Account if it qualifies as an Excluded Account.

5.5 Custodial Account

A Custodial Account is an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

Financial instruments/contracts which can be held in such accounts can include, but are not limited to –

- a share or stock in a corporation;
- a note, bond, debenture, or other evidence of indebtedness;
- a currency or commodity transaction;
- a credit default swap;
- a swap based upon a non-financial index;
- a notional principal contract (in general, contracts that provide for the payment of amounts by one party to another at specified intervals. These are calculated by reference to a specified index upon a notional principal amount in exchange for specified consideration or a promise to pay similar amounts);
- an Insurance Contract or Annuity Contract; and
- any option or other derivative instrument for the benefit of another person.

A Cash Value Insurance Contract or an Annuity Contract is not considered to be a Custodial Account, but these could be assets held in a Custodial Account. Where they are assets in a Custodial Account, the Insurer will only need to provide the Custodian with the cash/ surrender value of the Cash Value Insurance Contract.

A Custodial Account does not include financial instruments/ contracts (for example, a share or stock in a corporation) held in a nominee sponsored by the issuer of its own shares, which are in every other respect analogous to those held on the issuer‘s share register.

5.5.1 Collateral

Collateral accounts are accounts which are maintained for the benefit of another, or arrangements pursuant to which an obligation exists to return cash or assets to another.

Transactions which include the collection of margin or collateral on behalf of a counterparty may fall within the definition of Custodial Account. The exact terms of the contractual arrangements will be relevant in applying this interpretation. However, if collateral is provided on a full title transfer basis, so that the collateral holder becomes the full legal and beneficial owner of the collateral during the term of the contract, this will not constitute a Custodial Account for the purposes of the CRS.

5.6 Cash Value Insurance Contract

A Cash Value Insurance Contract is an investment product that has an element of life insurance attached to it. The life insurance element is often small compared to the investment element of the contract. General insurance products, such as term life insurance, property or motor insurance, that do not carry any investment element are not financial accounts.

A Cash Value Insurance Contract is an insurance contract where the policyholder is entitled to receive payment on surrender or termination of the contract.
The cash value of such a contract is the greater of:

i. the amount that the policyholder is entitled to receive on the surrender or termination of the contract without reduction for any surrender charge or loans outstanding against the policy, for example, where the policyholder receives an annual statement of the value of the policy that will be the cash value in that year, and

ii. the amount the policyholder can borrow against or with regard to the policy. Note that the policyholder does not need to have pledged the account as collateral for borrowing for this second test to apply. It is the amount that the policyholder could

expect to borrow against the Cash Value Insurance Contract should they choose to use it as collateral for a loan.

The cash value does not include any amount payable under an insurance contract:

a) solely by reason of the death of an individual insured under a life insurance contract;

b) as a personal injury, sickness or other benefit providing indemnification of an economic loss arising from an event that has been insured against;

c) as a refund of premium due to the cancellation or termination of an insurance contract, a reduction in the amount insured or a correction of a posting or similar error in relation to the premium

d) as a policyholder dividend, other than a termination dividend, provided that the insurance contract pays only the benefits in b) above. A policyholder dividend is the return of premium, under the terms of the policy, resulting from an excess of income over losses and expenses.

e) as a return of an advance premium or premium deposit for an insurance contract where the premium is payable at least annually. In this case the advance premium or premium deposit must not exceed the amount due as the next annual premium payable under the contract.

To the extent that this is consistent with the CRS Commentaries, Cash Value Insurance Contracts do **not** include:

- Indemnity insurance contracts between insurance companies.
- Term life insurance contracts.
- Policies indemnifying against economic loss arising from specified circumstances, for example personal injury, theft, etc.
- Micro insurance contracts that do not have a cash value.

5.7 Annuity Contracts

An Annuity Contract is a contract under which the issuer agrees to make payments for a period of time, determined in whole or in part by reference to the life expectancy of one or more individuals. However, the term “Financial Account” does not include certain Annuity Contracts, i.e. a noninvestment-linked, non-transferable, immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account.

A “noninvestment-linked, non-transferable, immediate life annuity” is a non-transferable Annuity Contract that (i) is not an investment-linked annuity contract; (ii) is an immediate annuity; and (iii) is a life annuity contract. The term “investment-linked annuity contract” means an Annuity Contract under which benefits or premiums are adjusted to reflect the investment return or market value of assets associated with the contract. The term “immediate annuity” means an Annuity Contract that (i) is purchased with a single premium or annuity consideration; and (ii) no later than one year from the purchase date of the contract commences to pay annually or more frequently substantially equal periodic payments. The term “life annuity contract” means an Annuity Contract that provides for payments over the life or lives of one or more individuals.

5.8 Equity or Debt Interest in an Investment Entity

Equity and debt interests are Financial Accounts if they are interests in an Investment Entity.

Where an entity is an Investment Entity solely because it acts on behalf of a customer by investing, managing or administering Financial Assets in the name of the customer, the debt and equity interest in the Investment Entity are not Financial Assets provided it renders only investment advice to, or manages portfolios for, the customer.

An equity interest may vary depending on the nature of the Investment Entity. In the case of an Investment Entity that is a partnership, an equity interest is either a capital or profits interest in the partnership.

In the case of a trust, an equity interest is any interest held by a person who is treated as a settlor, protector or beneficiary of all or any part of the trust, or any other natural person exercising ultimate effective control over the trust.

A Reportable Person will be treated as being a beneficiary of a trust if such a person:

- has the right to receive a mandatory distribution from the trust. This distribution can be received either directly or indirectly, for example through a nominee; or
- receives a discretionary payment from the trust. Again this receipt can be either directly or indirectly from the trust.

5.9 Excluded Accounts

The CRS allows for various categories of accounts to be excluded from being Reportable Financial Accounts. These are excluded because they have been identified as carrying a low risk of use for tax evasion, generally because of the regulatory regimes under which they function.

5.9 .1 Retirement & Pension Accounts

A retirement or pension account can be an Excluded Account, provided that it satisfies all the requirements listed in Section VIII subparagraph C(17)(a) of the CRS.
Those requirements must be satisfied under the laws of the jurisdiction where the account is maintained. In summary, it is required that:
a) the account is subject to regulation;
b) the account is tax-favoured;
c) information reporting is required to the tax authorities with respect to the account;

d) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and

e) either:

(i) annual contributions are limited to USD 50 000 or less, or

(ii) there is a maximum lifetime contribution limit to the account of USD 1 000 000 or less, excluding rollovers.

5.9 .2 Estate Accounts

An account that is held solely by the estate of a deceased person will not be a Financial Account where the FI that maintains the account is in possession of a formal notification of the Account Holder's death. The formal notification would include a copy of the deceased's death certificate or a copy of the deceased's will. The account must be treated as having the same status as prior to the Account Holder's death until such documentation has been provided.

Once the documentation has been provided, the account is not reportable in the year of the Account Holder's death or any subsequent year.

5.9.3 Escrow Accounts

An escrow account is an account held by a third party on behalf of the beneficial owner of the money in the account. Such accounts are Excluded Accounts where they are established in connection with any of the following:

(a) a court order or judgement

(b) a sale, exchange, or lease of real or personal property where it also meets the following conditions:

(i) The account holds only the monies appropriate to secure an obligation of one of the parties directly related to the transaction, or a similar payment, or with a Financial Asset that is deposited in the account in connection with the transaction.

(ii) The account is established and used solely to secure the obligation of the parties to the transaction.

(iii) The assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the parties when the transaction is completed.

(iv) The account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and

(v) The account is not associated with a credit card account.

(c) An obligation of an FI servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time.

(d). An obligation of an FI solely to facilitate the payment of taxes at a later time.

Accounts provided by a non-financial intermediary acting in that capacity (such as non-legal escrow type accounts) that meet the conditions above will also be Excluded Accounts.

Periodic payment orders in connection with an escrow account are not considered to be reportable Annuity Contracts.

5.9.4 Low Value Dormant Accounts

Excluded Accounts also include dormant accounts. An account (other than an Annuity Contract) is a “dormant account” if the annual balance does not exceed 1000 US Dollars and provided that the following conditions are met –

(a) the Account Holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting Financial Institution during the past 3 years;

(b) the Account Holder has not communicated with the Reporting Financial Institution that maintains such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution during the past 6 years; and

(c) in the case of a Cash Value Insurance Contract, the Reporting Financial Institution has not communicated with the Account Holder who holds such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution during the past 6 years.

Alternatively, an account (other than an Annuity Contract) may also be considered as a “dormant account” under applicable laws or regulations or the normal operating procedures of the Reporting Financial Institution that are consistently applied for all accounts maintained by such institution, provided that such laws or regulations or such procedures contain substantially similar requirements to those mentioned above.

An account ceases to be a dormant account when:

(a) the Account Holder initiates a transaction with regard to the account or any other account held by the Account Holder with the Reporting Financial Institution;

(b) the Account Holder communicates with the Reporting Financial Institution that maintains such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution; or

(c) the account ceases to be a dormant account under applicable laws or regulations or the Reporting Financial Institution’s normal operating procedures.

CHAPTER 6

Reportable Information

6.1 General Requirements

The CRS requires the following information to be reported in respect of Account Holders who are identified by FIs as holding Reportable Accounts:

- Name;
- Address;
- Taxpayer Identification Number(s) (TIN);
- Jurisdiction(s) to which the information is reportable;
- The account number (or a functional equivalent in the absence of an account number);
- The name and identifying number of the Reporting Financial Institution; and
- The account balance or value as at the end of the calendar year.

6.2 Address

Individual Account Holders

Where the Reportable Person is an individual who is an Account Holder or is a Controlling Person of an entity, the address to be reported is the individual's current residence address. If the FI does not hold this address in its records, then it should report the mailing address it has on file for that person.

In general, an 'in-care-of' address or a post office box is not a residence address. A post office box that forms part of an address that also includes details such as a street, apartment or suite number or a rural route such that a place of residence can be clearly identified can be accepted as a residence address.

Entity Account Holders

Where the Reportable Person is an entity the address to be reported is the mailing address that the Financial Institution holds on file for that entity.

6.3 Tax Identification Number (TIN) or Date of Birth

Where it has been established that an Account Holder is resident in a Reportable Jurisdiction, an FI is required to obtain a TIN and date of birth. When referred to, a TIN means a Tax Identifying Number used by the receiving tax administration to identify the individual Account Holder. The TIN (if available) should be supplied as specified in the CRS. It is a unique combination of letters and/or numbers used to identify an individual or entity for the purposes of administering the tax laws of that jurisdiction.

For those jurisdictions that do not issue a TIN, or do not issue a TIN to all residents, and where no TIN has been issued there will be nothing to report unless they use other high integrity numbers with an equivalent level of identification. For individuals these include:

- social security number;
- national insurance number;
- citizen or personal identification code or number;
- resident registration number;

For entities, jurisdictions may use a business/company registration code or number where no TIN has been issued.

Some jurisdictions that issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes, Australia for example. There is a standard approach in international tax treaties that stops the sending jurisdiction from requesting information from local sources if the receiving jurisdiction could not ask for such information under its own domestic rules. The Reporting FI is not

required to collect the TIN for those jurisdictions. Details of the jurisdictions where this applies will be published on the OECD website.

The TIN must be reported for all new accounts. For pre-existing accounts, the TIN is reportable to the extent that it is already held in records maintained by the Reporting FI or the Reporting FI is otherwise obliged to collect it. Where the TIN is not held in respect of pre-existing accounts, the reporting FI must use reasonable efforts to obtain it by the end of the second calendar year following the year in which the accounts are identified as Reportable Accounts.

As Reportable Persons may be resident in more than one jurisdiction, they may have two or more TINs that the FI must report.

6.4 Reportable Jurisdiction

Mauritius applies the wider approach which requires FIs to retain data on the jurisdiction of residence of Account Holders, irrespective of whether or not that jurisdiction is a Reportable Jurisdiction.

FIs must carry out the due diligence procedures required and where a person is identified as a Reportable Person include the jurisdiction of residence in the return of information to the MRA. Where a Reportable Person is identified as having more than one Reportable Jurisdiction of residence, the FI is required to report all of the identified Reportable Jurisdictions to the MRA.

The jurisdictions of residence identified as a result of carrying out the due diligence procedures are without prejudice to any residence determination made by the FI for any other tax purpose.

Reportable Account data is to be sent to the MRA where the Account Holder is a resident of a Reportable Jurisdiction.

6.5 Account number

The account number to be reported is the unique identifying number or code that the Reporting FI has assigned to the Reportable Account. This will include identifiers such as bank account numbers and policy numbers for insurance contracts as well as other non-traditional unique identifiers. The unique identifier should be sufficient to enable the FI to identify the Reportable Account in future.

Where there is not a unique identifying number or code, the FI should report any functional equivalent that they use to identify the account. This may include non-unique identifiers that relate to a class of interests, which, along with the name of the Account Holder, enable the account to be identified.

Exceptionally, if the Reportable Account does not have any form of identifying number or code, the FI should report a description of the account sufficient to identify the account held by the named Account Holder in future.

6.6 Reporting Financial Institution

The Reporting FI must report its name and identifying number. This is to enable the jurisdiction receiving the information to easily identify the source of it in the event that they have any follow-up questions in respect of the data reported.

The identifying number is the Tax Account Number of the FI.

FIs that are exempt from income tax but have been allocated a Tax Account Number for FATCA purposes should use the same Tax Account Number for CRS purposes.

6.7 Account balance or value

The CRS provides options to the jurisdictions to either report the average balance or value of the account or the account balance or value as at the end of the calendar year. Mauritius has opted for FIs to report the balance or value of reportable financial

accounts as at the end of each calendar year. This will be 31 December in each year unless it is not possible or usual to value an account at that date. If that is the case then that value at the normal valuation point for the account that is nearest to 31 December should be used.
The value of the account should be reported in the currency in which the account is denominated.

In general, the balance or value to be reported is that which the FI calculates for the purpose of reporting to the Account Holder. Where the balance or value of an account is nil or a negative amount, for example where an account is overdrawn, the FI must report the balance or value as nil.

For Cash Value Insurance Contracts or Annuity Contracts, the amount to be reported is the cash value or surrender value of the contract.

For an equity interest in an investment entity, the amount to be reported is the value calculated by the FI for the purpose that requires the most frequent determination of value.

For a debt interest in an investment entity, the balance or value is the principal amount of the debt.

The balance or value of an account must not be reduced by any liabilities or obligations incurred by an Account Holder with respect to the account or any of the assets held in the account and is not to be reduced by any fees, penalties or other charges for which the Account Holder may be liable upon terminating, transferring, surrendering, liquidating or withdrawing cash from the account.

6.8 Account balance or value: joint accounts

Each holder of a jointly held account is attributed the entire balance or value of the joint account as well as the entire amounts paid or credited to the account.

For example, where a jointly held account has a balance or value of MUR 10,000,000 and one of the Account Holders is resident in Country X, the amount attributable to that person in the report to Country X will be MUR 10,000,000.

If both Account Holders in the above example were resident in Country X, then each would be attributed MUR 10,000,000 in the report to Country X.

6.9 Resident in multiple jurisdictions

Where a Reportable Person is either an Account Holder or the Controlling Person of a passive NFE and is identified as having more than one jurisdiction of residence, the entire balance or value of the Reportable Account, as well as the entire amount paid or credited to the Reportable Account must be reported to each jurisdiction of residence of the Account Holder or Controlling Person.

6.10 Account closure

An account is regarded as closed according to the normal operating procedures of the reporting FI that are consistently applied for all accounts that it maintains. For example, an equity interest in an investment entity would be considered closed when that interest is terminated by the transfer, surrender, redemption or cancellation of the interest or the liquidation of the entity.

Under CRS, the FI only has to report the fact that the account was closed. This differs from FATCA where the balance or value prior to the closure of the account has to be reported.
An account with a balance or value equal to zero or which is negative will not be a closed account solely by reason of such a balance or value.

6.11 Place and date of birth

Place of Birth

The place of birth to be reported is the town or city and the country of birth of the Account Holder.

The place of birth is not required to be reported unless the Reporting FI is otherwise required to obtain and report it under domestic law and it is available in the electronically searchable data maintained by the Reporting FI. Thus, the place of birth is required to be reported if, with respect to the relevant Account Holder, both: the Reporting FI is otherwise required to obtain the place of birth and report it under domestic law; and the place of birth is available in the electronically searchable information maintained by the Reporting FI.

Date of Birth

The date of birth is reportable for all new accounts. It is only reportable for pre-existing accounts to the extent that it is already held in records maintained by the Reporting FI or the Reporting FI is otherwise obliged to collect it. Where the date of birth is not held in respect of pre-existing accounts, the Reporting FI must use reasonable efforts to obtain it by the end of the second calendar year following the year in which the accounts are identified as Reportable Accounts.

6.12 Custodial account

In addition to the general reporting requirements, where the Reportable Account is a Custodial Account, the information to be reported for each reporting period is:

- the total gross amount of interest paid or credited to the account,
- the total amount of dividends paid or credited to the account,
- the total gross amount of other income generated with respect to the assets held in the account paid or credited to the account,

- the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account.

6.12.1 Custodial Accounts: Gross Proceeds

A Custodial Institution is required to report the total gross proceeds from the sale or redemption of Financial Assets held in a Custodial Account during the reporting period. This is without regard to whether or not the Account Holder would be subject to tax in Mauritius on the sale or redemption of the Financial Asset.

The total gross proceeds from the sale or redemption of a Financial Asset is the total amount credited to the account of the person entitled to the payment without regard to any sums netted off against the payment to satisfy outstanding liabilities. For example, a loan used to fund acquisition of the asset may be repaid from the proceeds of sale. This must not be deducted from the amount reportable.

Commissions and fees paid with respect to the sale or redemption of the asset may be taken account of in arriving at the gross proceeds of sale.

Where the Financial Asset that is sold or redeemed is an interest bearing debt obligation, the gross proceeds should include any interest that has accrued between interest payment dates.

6.13 Depository accounts

In addition to the general reporting requirements, where the Reportable Account is a Depository Account, the information to be reported for each reportable period is the gross amount of interest paid or credited to the account during that period.

6.14 Other accounts

In addition to the general reporting requirements, in the case of any account other than a Depository Account or a Custodial Account, the information to be reported for each reporting period is the total gross amount of income paid or credited to the Account Holder in the reporting period with respect to which the Reporting FI is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the reporting period.

6.15 Paper and electronic records

The records of an FI include both paper and electronic records that the FI maintains for the purpose of keeping Account Holder information available for use in the business. These include information such as the customer master file necessary to maintain contact with the Account Holder and information for satisfying AML/KYC procedures.

Electronic records are available for use by the FI to the extent that they are electronically searchable. This means information maintained by the FI that is stored in the form of an electronic database against which standard queries in programming languages may be used. Information, data or files are not electronically searchable merely because they are stored in an image retrieval system such as portable document format (pdf.) or as scanned documents.

FIs should rely on the IT systems they have in place at the time the electronic searches are carried out, they are not expected to build systems to carry out electronic searches solely for the purpose of reporting under the CRS.

6.16 Reasonable efforts to obtain information

Where an FI does not hold information in its records on either the Account Holder's TIN or date of birth in respect of a pre-existing account, it is expected to make reasonable efforts to obtain the information by the end of the second calendar year

following the year in which the account is identified as reportable. Such attempts must be made at least once a year.

Reasonable efforts require genuine attempts to obtain the information and would include all or any of the following:

- contacting the Account Holder by mail, in-person or telephone and could include requests made as part of other documentation;

- electronic contact such as facsimiles or e-mail;

- reviewing electronically searchable information maintained by a related entity in accordance with the aggregation principles.

Reasonable efforts do not require the closing, blocking or transferring of an account, nor conditioning or otherwise limiting its use, simply because the Account Holder does not comply with a request for this information.

Reasonable efforts may continue to be made after the above mentioned period if the FI so chooses.

6.17 Participating Jurisdictions and Reportable Jurisdictions

The OECD maintains a list of all Participating Jurisdictions (including Mauritius) which is available at http://www.oecd.org/tax/exchange-of-tax-information/MCAA-Signatories.pdf.

To enable FIs to make their first reports by 31 July 2018, the MRA will publish on its website in good time a list of all Reportable Jurisdictions.

CHAPTER 7

Due Diligence: General Requirements

7.1 Introduction

Due diligence requirements apply for both "new"' accounts and "pre-existing" accounts.

Under the wider approach, FIs are required to carry out due diligence in respect of all foreign account holders, irrespective of whether or not they are tax resident in a Reportable Jurisdiction. If the Account Holder is identified as being tax resident in any of the jurisdictions with which Mauritius has agreed to exchange information on a reciprocal basis then they are a Reportable Person and the account is a Reportable Account, subject to any applicable threshold.

7.2 Identifying Reportable Accounts

An account is treated as a Reportable Account from the date it is identified as such pursuant to the due diligence procedures that the FI is required to follow. Information must be reported annually to the MRA on that account in the calendar year following the year to which the reportable information relates.

Once an account has been identified as a Reportable Account, it remains so until there is a change that takes the account out of the definition of Reportable Account.

This can happen in a number of ways:

- the Account Holder ceases to be a Reportable Person;
- the account is closed or transferred to another FI in its entirety (where it may become a Reportable Account by that business);
- the account becomes an Excluded Account; or
- the Reporting FI becomes a Non-Reporting FI.

While the account remains a Reportable Account it must be reported even where the balance or value of the account is zero or negative (the latter are treated as 'zero' balances). It also remains reportable where nothing has been credited to or in

respect of the account during the appropriate reportable period. The balance or value of the Reportable Account is to be determined as at the last day of the calendar year.

When an account ceases to be a Reportable Account, it no longer needs to be reported, but where the account is closed, the fact that the account is closed has to be reported. This differs from FATCA where the account balance or value prior to closure has to be reported.

The following examples illustrate the circumstances where an account becomes or ceases to be a Reportable Account.

Example 1

Account becomes reportable – an FI carries out due diligence procedures on lower value pre-existing accounts as at 31 December 2016 for CRS purposes between 1 January 2017 and 31 December 2018. On 22 March 2018, the FI identifies an account that belongs to an individual resident in Country X. The account is a Reportable Account from that date. Information on that account is reportable for the full calendar year 2018, the first report being made in 2019 and annually thereafter.

Example 2

Account reportable after change of circumstance – a new account is opened by an individual on 20 June 2017. The self-certification provided by the individual on opening the account shows that he is tax resident in Mauritius. The account is not a Reportable Account. On 13 September 2019, the individual notifies the FI that he has moved to Country Y to work and will be tax resident there for the foreseeable future. The account becomes a Reportable Account from that date and is reportable for the full calendar year 2019, the first report being made in 2020 and annually thereafter.

Example 3

Account ceases to be reportable – the Account Holder of the account in example 1 above notifies the FI that they have moved permanently to Mauritius and are resident

here (and nowhere else) for tax purposes with effect from 17 April 2019. As a result, the individual ceases to be a Reportable Person. As the account ceases to be a Reportable Account in the calendar year 2019, no report from the FI is required in 2020 or any subsequent calendar year unless the account becomes reportable once again.

Example 4

Account is closed – a Reportable Account is closed by the Account Holder on 14 August 2018. The FI must report in 2019 that the account has been closed along with information in respect of that account for the period from 1 January 2018 to the date of closure. The account balance prior to closure need not be reported.

Example 5

Account ceases to be reportable and is then closed – the Account Holder in example 3 above closes the account with the FI on 11 October 2019. As the closure occurred after the account ceased to be reportable, information with respect to the closure of the account is not required to be reported in 2020.

7.3 Date for determining balance or value

The balance or value of a Reportable Account is part of the reportable information that is to be automatically exchanged. It is also relevant for other purposes such as the due diligence procedures for pre-existing entity accounts and the account aggregation rules.

The balance or value of the Reportable Account is to be determined as at the last day of the calendar year.

If the balance or value of the account is negative it should be reported as a zero balance or value.

7.4 Date for determining the balance or value for thresholds

Thresholds may apply in a number of circumstances. For example, it is necessary to determine whether the aggregate value of accounts held by an individual exceeds an amount equivalent to US$1 million or the value of accounts held by an entity exceeds US$250,000.

The threshold is applied on the last day of the calendar year that is the subject of the report. The balance or value on the account that is to be used for determining if the threshold has been exceeded is that on the last day of the appropriate calendar year .

Where an FI values Financial Accounts at regular points during the year, the balance or value on the last such valuation in the appropriate reporting period may be used for this purpose.

7.5 Reliance on third party service providers

Instead of Reporting FIs undertaking to carry out their due diligence procedures under CRS by themselves they have the option to use third party service providers. However, the obligations still remain the responsibility of the FIs. Any failure by a third party service provider would be regarded as a failure by the FIs.

For example, where an independent financial adviser (IFA) has the customer relationship for introducing business to an FI, such as Cash Value Insurance Contracts, the IFA is often best placed to obtain the self-certification needed to carry out the due diligence process on the new account. The FI may rely on the IFA to obtain the self-certifications on its behalf.

Similarly, when an FI engages a third party to run AML/KYC processes it may rely on the report provided on the basis that the third party has relied on appropriate Documentary Evidence in producing the report. In such a case the Reporting FI may not hold the original documents or certified copies of them.

7.6 Alternative procedures for Pre-existing Accounts

FIs have the following different options to carry out due diligence procedures in respect of pre-existing accounts:

i. using the same due diligence procedures applicable to new accounts, and

ii. using the same due diligence procedures applicable to High Value Accounts to Lower Value Accounts.

Where an FI chooses to apply one or both of these alternatives it may do so with respect to all its pre-existing accounts or, separately, to any clearly identified group of such accounts. A group of accounts may, for example, be those maintained by a particular line of business or those maintained in a particular location.

Where an FI chooses to apply the new account procedures to pre-existing accounts the rules that otherwise apply to pre-existing accounts continue to apply. For example, the FI can still rely on the exception for reporting a TIN or date of birth if it is not in its records and is not otherwise required to be collected by domestic law. Similarly it may rely in the residence address test if applying new account procedures to pre-existing Lower Value Accounts.

CHAPTER 8

Due Diligence: Pre-existing Individual Accounts

8.1 Introduction

Pre-existing Individual Accounts are accounts held by a Reportable Person who is an individual as at 31 December 2016.These are split between High Value Accounts and Lower Value Accounts and there are different due diligence procedures for each type.

High Value Pre-existing Individual Accounts are accounts with an aggregate balance or value that exceeds an amount equivalent to US$1 million as at the end of the calendar year that is the subject of the report. Thus, for reporting in 2018 under the CRS, the accounts in scope are those Reportable Accounts in existence as at 31 December 2016.

Lower Value Pre-existing Individual Accounts are those with an account balance or value that does not exceed an amount equivalent to US$1 million at the end of the calendar year.

FIs have up to 31 December 2018 to review Lower value pre-existing individual accounts while for High Value Pre-existing Individual Accounts they have up to 31December 2017 to review those accounts.

Lower Value Accounts that are identified as Reportable Accounts in a calendar year, are reportable for that calendar year. Under the CRS, FIs have until 31 December 2018 to carry out due diligence on Lower Value Accounts in existence at 31 December 2016. Thus, all such accounts must be reported no later than 2019but if any Reportable Accounts are identified on or before 31 December 2017 they must be reported in 2018.

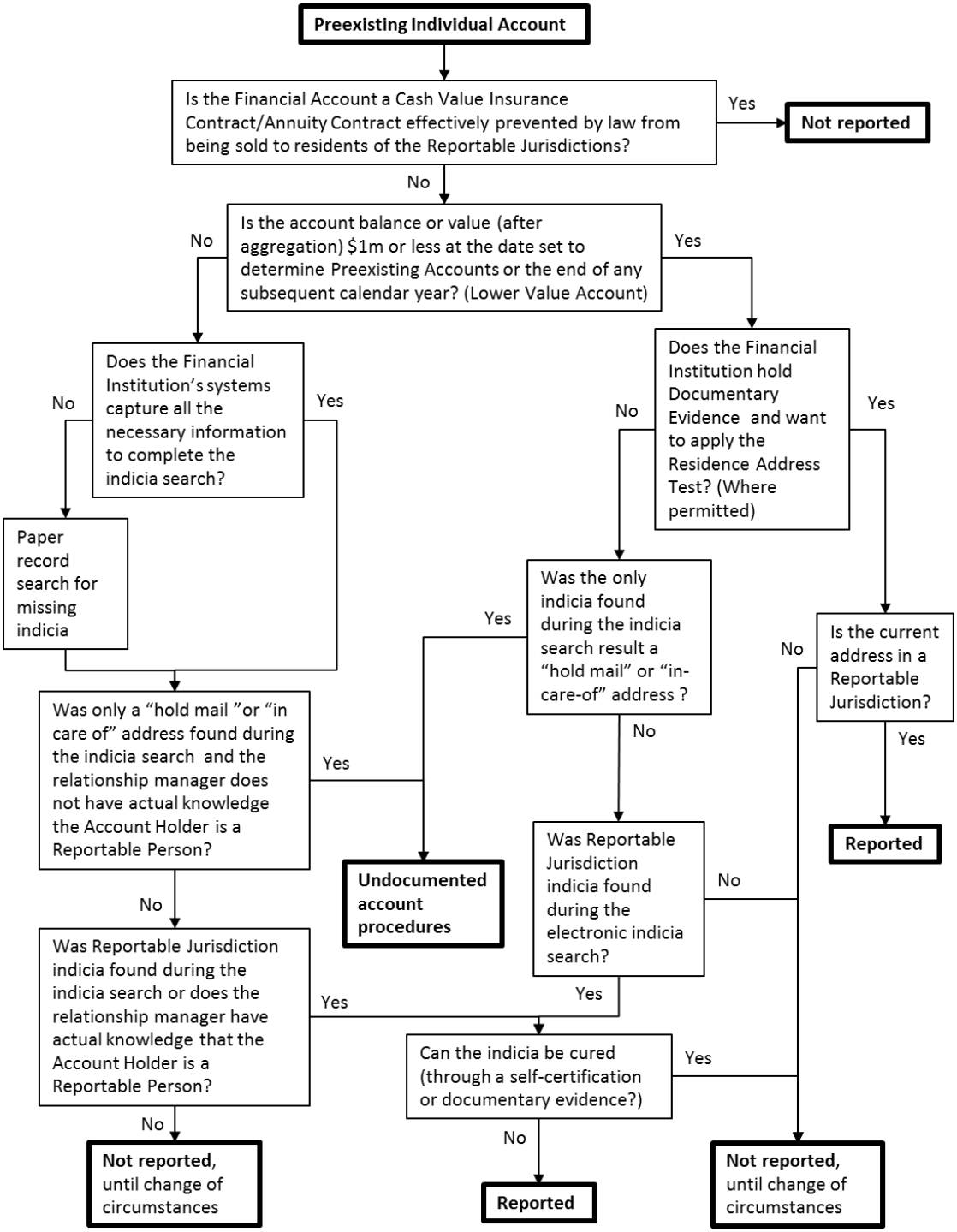
Example 1:

The due diligence procedures are carried out on a Lower Value Account in April 2017 and the account is determined as reportable. The FI is required to report on the account information for the year ending 31 December 2017 onwards. The first reporting will be done in 2018.

Example 2:

The due diligence procedures are carried out on a Lower Value Account in April 2018 and the account is determined as reportable. The FI is required to report on the account information for the year ending 31 December 2018 onwards. The first reporting will be done in 2019.

The figure below from the OECD CRS Handbook depicts the due diligence rules for Pre-existing Individual Accounts from the perspective of the FI:


Preexisting Individual Account
Is the Financial Account a Cash Value Insurance Contract/Annuity Contract effectively prevented by law from being sold to residents of the Reportable Jurisdictions?
Yes
Not reported
No
Is the account balance or value (after aggregation) $1m or less at the date set to determine Preexisting Accounts or the end of any subsequent calendar year? (Lower Value Account)
No
Yes
Does the Financial Institution's systems capture all the necessary information to complete the indicia search?
No
Yes
Paper record search for missing indicia
Does the Financial Institution hold Documentary Evidence and want to apply the Residence Address Test? (Where permitted)
No
Yes
Was only a "hold mail "or "in care of" address found during the indicia search and the relationship manager does not have actual knowledge the Account Holder is a Reportable Person?
Yes
Was the only indicia found during the indicia search result a "hold mail" or "in-care-of" address ?
Yes
No
Is the current address in a Reportable Jurisdiction?
No
Yes
Undocumented account procedures
Reported
No
Was Reportable Jurisdiction indicia found during the indicia search or does the relationship manager have actual knowledge that the Account Holder is a Reportable Person?
Yes
Was Reportable Jurisdiction indicia found during the electronic indicia search?
No
Yes
Can the indicia be cured (through a self-certification or documentary evidence?)
Yes
No
Not reported, until change of circumstances
Reported
Not reported, until change of circumstances

8.2 Lower Value Account

Lower Value Pre-existing Individual Accounts are those with an account balance or value that does not exceed an amount equivalent to US$1 million at the end of the calendar year. The following due diligence procedures apply with respect to Lower Value Accounts:

I. Residence address test , or
II. Electronic record search.

In the event that the FI applies the residence address test and this does not determine the residence of the individual Account Holder, then it must also apply the electronic record search.

FIs can apply the residence address test to all Lower Value Accounts or, separately, to any clearly identified group of such accounts. A group of accounts may, for example, be those maintained by a particular line of business or those maintained in a particular location.

FIs may also opt to go straight to an electronic record search for indicia of tax residence without first applying the residence address test.

8.2.1 Residence Address Test

If the Reporting FI has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting FI may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person.

The Residence Address Test is an alternative to the Electronic Indicia Search for establishing residence. FIs can use either of these two tests.

The residence address held by an FI must be sufficiently detailed to identify where the Account Holder resides and will generally be in a form that identifies the street

and the town, city or area where the individual lives in sufficient detail for the FI to determine the jurisdiction in which the residence is located.

In general, an “in-care-of” address or a post office box is not a residence address. However, a post office box can be part of a residence address where the address also contains a street, an apartment or suite number, or a rural route and thus clearly identifies the actual residence of the Account Holder.

An “in-care-of” address is unlikely to provide sufficient detail to identify the residence of the Account Holder as the address is that of the person receiving mail on behalf of the Account Holder. Additionally, an “in-care-of” address may be relied on where the address relates to a care or residential home such as those for elderly.

The residence address held by a Reporting FI must be current. A residence address is considered to be current where it is the most recent address that the FI has recorded for the Account Holder. Such an address will not be regarded as current if it has been used for mailing purposes and mail has been returned undeliverable-as-addressed other than due to an error

If mail has been returned and the account (other than an Annuity Contract) is dormant then the residence address may continue to be regarded as current in certain circumstances.

8.2.1.1 Dormant Account

A residence address associated with an account (other than an Annuity Contract) may be considered current even though mail has been returned undeliverable-as-addressed and the account is regarded as dormant.
An account is considered to be dormant for this purpose if:

(i) The Account Holder has not initiated a transaction in the past three years on that account or any other account he or she holds with the FI;
(ii) The Account Holder has not communicated in the past six years with the FI that maintains the account regarding that account or any other account he or she holds with the FI; and
(iii) The account is considered to be dormant under the normal operating procedures of the FI that are applied for all accounts maintained by it

provided these procedures are substantially similar to the requirements in i. and ii. above.

There is an additional requirement for Cash Value Insurance Contracts to be regarded as dormant. As well as the tests above, the FI has not communicated with the Account Holder in the past six years regarding the account or any other account he or she holds with the FI.

An account ceases to be dormant on the earliest of any of the following events occurring:

(i) The Account Holder initiates a transaction on the dormant account or any other account he or she holds with the FI;
(ii) The Account Holder communicates with the FI about the dormant account or any other account he or she holds with it; or
(iii) The account ceases to be a dormant account under the normal operating procedures of the FI.

8.2.1.2 Residence Address Based on Documentary Evidence

FIs are generally required to carry out due diligence checks, often referred to as AML/KYC procedures. FIs are required to verify the customer's identity based on documents, data or information obtained from a reliable and independent source. The types of document that meet this requirement are those included in the definition of Documentary Evidence in the CRS (refer to page 202 of the CRS). The determinations made by the FI must be "based on" such Documentary Evidence (refer to pages 112 and 113 of the CRS).

Consequently, where an FI has identified the residence address of an Account Holder by following the policies and procedures it has in place for AML/KYC procedures the FI may rely on that address when applying the residence address test.

Alternatively, in the case of a Cash Value Insurance Contract the FI may rely on the current residence address in its records until:

I. There is a change in circumstances that causes the FI to know or have reason to know that the address held is incorrect or unreliable, or

II. The time of pay-out, whether full or partial, or maturity of the contract. The pay-out or maturity of the contract will trigger a change of circumstances requiring the FI to update its records.

In the event that an FI has been notified of a change of address by the Account Holder, supported by documentation from the Account Holder, and this does not result in any further AML/KYC processes, the FI may still rely on the address that has been the subject of AML/KYC provided the new address is in the same jurisdiction.

8.2.2 Electronic Record Search

If the Reporting FI does not rely on a current residence address for the individual Account Holder based on Documentary Evidence as set forth above, the Reporting FI must review electronically searchable data maintained by the Reporting FI for any of the following indicia:

(a) identification of the Account Holder as a resident of a Reportable Jurisdiction;

(b) current mailing or residence address (including a post office box) in a Reportable Jurisdiction;

(c) one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting FI;

(d) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction;

(e) currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction; or

(f) a “hold mail” instruction or “in-care-of” address in a Reportable Jurisdiction if the Reporting FI does not have any other address on file for the Account Holder.

If none of the above indicia are discovered through an electronic search, no further action is required in respect of Lower Value Accounts unless and until there is a subsequent change of circumstance that results in one or more of the above indicia

being associated with the account or the Account Holder. Where such indicia arise the account becomes a Reportable Account unless the FI takes steps to cure or repair the indicia. Only where the indicia remain in place after the cure or repair is completed will the account become a Reportable Account.

In addition, where a number of the above indicia are present but provide contradictory evidence the FI may take steps to cure or repair the indicia. For example, if the indicia, with the exception of a current telephone number in Country A, all point to the individual being resident in the Country B, the FI can seek information from the individual to confirm where he or she is resident for tax purposes before treating the account as belonging to a Country B Reportable Person.

An FI will not be treated as having reason to know that that an Account Holder's status is incorrect because it retains information or documentation that may conflict with its review of the Account Holder's status if it was not necessary to review them under the procedures for the electronic record search.

Where the indicia found during the electronic search indicates that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the account will be a Reportable Account subject to applying the curing procedure for this indicator.

Where the FI has recorded two or more mailing or residence addresses in different Reportable Jurisdictions, the Account Holder and details of the account are potentially reportable to multiple jurisdictions. However, where one or more of those addresses is for a service provider of the Account Holder, for example, an asset manager, investment advisor or lawyer, the FI is not required to treat the service provider's address as an indication of residence.

Where the indicia found during the electronic search indicates a current mailing or residence address (including a post office box) in a Reportable Jurisdiction the account will be a Reportable Account subject to applying the curing procedure for this indicium.

A mailing or residence address is considered to be current for this purpose where it is the most recent address recorded by the FI with respect to the Account Holder.

Where the account is a dormant account the mailing or residence address attached to the account can be considered as 'current' during the period of dormancy.

Where the FI has recorded two or more mailing or residence addresses in different Reportable Jurisdictions, the Account Holder and details of the account are potentially reportable to multiple jurisdictions. However, where one or more of those addresses is for a service provider of the Account Holder, for example, an asset manager, investment advisor or lawyer, the FI is not required to treat the service provider's address as an indication of residence.

8.2.3 Curing Indicia

There may be occasions when the electronic record search gives indications of residence in a Reportable Jurisdiction that the FI considers may be incorrect. In such circumstances the FI may take steps to 'cure' the information before treating the Account Holder as a Reportable Person.

Where the FI holds information about the Account Holder that includes any of:

(a) a current mailing address in a Reportable Jurisdiction;
(b) one or more telephone numbers in a Reportable Jurisdiction;
(c) standing instructions, to transfer funds to an account maintained in a Reportable Jurisdiction (other than a Depository Account); or
(d) a currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction, then

the FI must obtain a self-certification from the Account Holder to establish the jurisdiction of residence. The FI can rely on self-certifications it has previously reviewed and maintained a record of, but in either case the self-certification must be supported by Documentary Evidence. If the self-certification supported by Documentary Evidence establishes that the Account Holder is not a Reportable Person then the FI is not required to treat the Account Holder as resident in a Reportable Jurisdiction.

The self-certification obtained as part of the curing procedure does not need to contain an express confirmation that an Account Holder is not resident in a particular jurisdiction. Provided the self-certification positively identifies the jurisdictions where

the Account Holder is resident it can be taken that the Account Holder is not resident in any other jurisdiction.

Where an FI has contacted an Account Holder for a self-certificate but the Account Holder has not responded, the account should be treated as undocumented 90 days after initiating contact. The 90 day period is to allow the Account Holder sufficient time to respond to the request for information. In such circumstances, the FI must contact the Account Holder at least annually to obtain the self-certification.

The information in (d) above may arise in circumstances where the Account Holder cannot provide a self-certification. In such a case the FI may rely on Documentary Evidence that establishes the Account Holder's non-reportable status.

8.3 High Value Accounts

High Value Pre-existing Accounts are accounts with an aggregated balance or value that exceeds $1million at the date that the pre-existing accounts first need to be reviewed or at any 31 December following the initial review date.

The aggregated amount is that across all accounts held by the individual with the FI and includes accounts held by related entities of the FI.

When an account is identified as a High Value Account the residence address test may not be used to establish the residence jurisdiction of the Account Holder.

The FI must start with the electronic record search and then continue, where appropriate, with a paper record search and a relationship manager inquiry.

The FI has the option to apply the new account due diligence procedures and seek self-certifications from Account Holders (as laid down in Chapter 9) rather than carry out the due diligence for Pre-existing High Value Accounts.

8.3.1 Electronic Record Search

For High Value Accounts, an FI must review its electronically searchable data for indicia of the individual's residence. The due diligence procedures for High Value Accounts are the same as those for Low Value Accounts as described in paragraph 8.2.2 above.

8.3.2 Paper Record Search

An FI must carry out a paper record search to the extent that the information on residence of an Account Holder is not captured by the electronic search.

For example, where the electronically searchable databases contain all the required information except for details of standing instructions to transfer funds, the paper record search will only be required to look for that information.

The paper record search should include a review of the current master file and, to the extent that they are not contained in the current master file, the following documents associated with the account and obtained by the FI within the last 5 years:

- The most recent Documentary Evidence collected with respect to the account;
- The most recent account opening contract or documentation;
- The most recent documentation obtained by the FI for AML/KYC procedures or other regulatory purposes;
- Any power of attorney or signatory authority currently in effect; and
- Any standing instructions to transfer funds currently in effect (other than for a Depository Account).

These should be reviewed for any of the indicia of residence.

An FI can rely on the review of High Value Accounts by third party service providers where there is a contract obliging the service provider to perform the review.

8.3.3 Paper Record Search: Relationship Manager Inquiry

The relationship manager enquiry is required for high value individual accounts in addition to the electronic search and the paper record search. The FI must consider whether any relationship manager associated with an account, which includes any accounts aggregated with such an account, has actual knowledge that would identify the Account Holder as a Reportable Person.

A relationship manager is an employee or officer of the FI who has been assigned responsibility for specific Account Holders on an ongoing basis. A relationship manager will provide advice to Account Holders regarding their accounts as well as recommending and arranging for the provision of financial products, services and other related assistance.

Relationship management must be more than ancillary or incidental to a person's job role. Thus a person with some contact with Account Holders, but whose functions are administrative or clerical nature, is not considered to be a relationship manager.

The relationship manager also has an important role in identifying any change of circumstance in relation to a High Value Individual Account. An FI must ensure that it has procedures in place to capture changes that are made known to the relationship manager in respect of the Account Holder's reportable status.

The following examples illustrate when an employee of an FI would be regarded as a relationship manager:

Example 1

An individual holds a Custodial Account with an FI. The value of the account at the end of the appropriate reporting period is an amount equivalent to US$1,350,000. An employee of the FI has a role that requires them to manage the account on an ongoing basis and maintain the FI's relationship with the individual Account Holder. As the account has a value in excess of US$1million, the employee will be a relationship manager with respect to this account.

Example 2

An individual holds a Custodial Account with an FI with a value at the end of the appropriate reporting period of an amount equivalent to US$780,000. In addition, the individual also has a Depository Account with the FI with a balance at the same date of an amount equivalent to US$427,000. The FI's internal systems link the accounts to the same Account Holder thus the accounts must be aggregated, the aggregate balances exceed US$1million so belong to a High Value Account Holder. The relationship with the Account Holder is managed in a similar way to that in example 1 above. The employee with that role will be a relationship manager in respect of the accounts held by this Account Holder.

Example 3

The facts are the same as in example 2 except that the employee has no direct contact with the Account Holder simply performing an administrative role in relation to the accounts. Here the employee is not a relationship manager.

8.3.4 Change in Circumstance

Once the due diligence procedures have been completed the Account Holder will be identified as either a non-Reportable Person or Reportable to one or more jurisdictions with which Mauritius has agreements to exchange information. That status will not change until such time as a change of circumstance is identified by the FI.

A change of circumstance includes any change to, or addition of, information in relation to an Account Holder's status and includes details of any addition, substitution or other change of an Account Holder as well as information in respect of any accounts associated with the Account Holder, that is, accounts associated through the aggregation rules or where a New Account has been treated as a pre-existing obligation for due diligence purposes.

A change of circumstance is only relevant if the new information affects the status of the Account Holder for the purposes of the exchange of information agreements, whether that is based on the due diligence procedures or from a self-certification. For example, a person who has been identified as reportable to UK provides the FI with

details of a change of residential address to a property in France. That is evidence that there has been a change of circumstance affecting the reportable status of the Account Holder. If, however, the new address had also been in UK the reportable status established earlier would not be affected and no further action would be required on the part of the FI.

Once a change of circumstance has been identified the FI must request a self-certification or other documentation from the Account Holder to establish whether the individual is a Reportable Person and, if so, to which jurisdiction the reportable information should be sent. If the Account Holder fails to respond to the request the FI should treat the Account Holder as reportable to each jurisdiction for which it holds indicia unless it can apply the curing procedure.

8.3.5 Lower Value Account becomes High Value

If a Pre-existing Individual Account is a Lower Value Account as at 31 December 2017, it will need to be monitored at the end of each subsequent reporting period to see if it has become a High Value Account.

If the balance or value of the account on the last day of the appropriate reporting period, after taking account of any aggregation, exceeds an amount equivalent to US$1million, the FI must complete the enhanced review for High Value Accounts within the calendar year following the year that the account becomes a High Value Account. If, as a result of the enhanced review, the account is identified as a Reportable Account, following this review it is reportable with respect to the year in which it is so identified and remains reportable in all subsequent years unless and until the Account Holder ceases to be a Reportable Person.

8.3.6 Effect of Finding Indicia

Where the enhanced due diligence procedures for High Value Individual Accounts have been carried out and any of the indicators are found, the account must be

treated as a Reportable Account. The account will be a Reportable Account for each Reportable Jurisdiction identified from the due diligence procedure.

Where the information arising from the due diligence procedures contains potentially conflicting information, for example, the electronic search identifies a residential address in Germany but the relationship manager has knowledge of an address UK, the FI may attempt to cure the information by seeking a self-certification from the Account Holder.

If no indicators of residence in a Reportable Jurisdiction are found in any of the enhanced due diligence procedures then no further action is required unless and until there is a change in circumstances.

CHAPTER 9

Due Diligence: New Individual Accounts

9.1 Due Diligence procedures for New Individual Accounts

New accounts are those opened on or after 1 January 2017. New Individual Accounts are accounts where the Reportable Person is an individual. The due diligence procedures for New Individual Accounts require that a self-certification be obtained from the Account Holder. If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, then the Reporting FI must treat the account as a Reportable Account.

The wider approach requires FI s to identify the territory in which a person is tax resident, irrespective of whether or not that territory is a Reportable Jurisdiction. It applies to New Accounts as well as Pre-existing Accounts. The self-certification process can be used for this purpose. This information must be maintained by the Reporting FI for a period of 5 years from the end of the period in which the territory is identified.

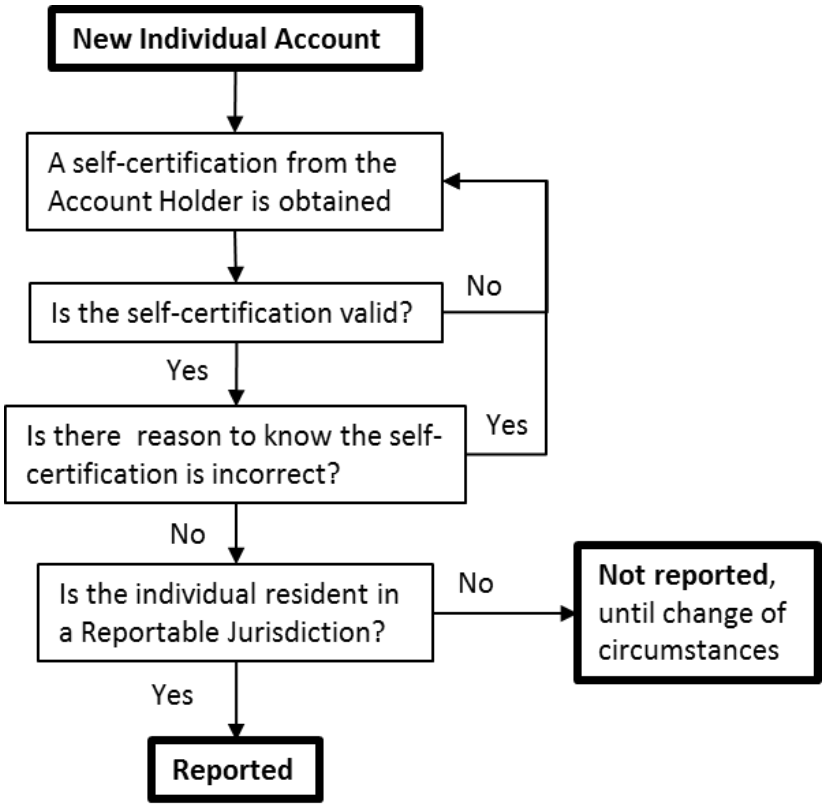
The procedures applying for the purposes of identifying Reportable Accounts among New Individual Accounts are described hereunder.

Upon account opening, the Reporting FI must:

- obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting FI to determine the Account Holder's residence(s) for tax purposes; and

- confirm the reasonableness of such self-certification based on the information obtained by the Reporting FI in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.

The figure below sets out the Due Diligence process for New Individual Accounts:



9.2 Self-certification

It is expected that FIs will maintain account opening processes that facilitate collection of a self-certification at the time of the account opening, whether that process is done face-to-face, online or by telephone. There may be circumstances where, exceptionally, it is not possible or practical to obtain a self-certification on 'day one' of the account opening process, for example where an insurance contract has been assigned from one person to another or in the case where an investor acquires shares in an investment trust on the secondary market. In such circumstances, it is expected that the self-certification should be obtained within a period of 90 days or such reasonable time as the circumstances dictate.

A Reporting Financial Institution must obtain a self-certification upon account opening (Sections IV(A) and VI(A) of the Standard). Where a self-certification is obtained at account opening but validation of the self-certification cannot be completed because it is a 'day two' process undertaken by a back-office function,

the self-certification should be validated within a period of 90 days.

There are a limited number of instances, where due to the specificities of a business sector it is not possible to obtain a self-certification on ‘day one’ of the account opening process, for example where an insurance contract has been assigned from one person to another or in the case where an investor acquires shares in an investment trust on the secondary market. In such circumstances, the self-certification should be both obtained and validated as quickly as feasible, and in any case within a period of 90 days.

Financial Institutions have to ensure that self-certifications are obtained and validated in accordance with the rules set out in the CRS. In that light, measures that either foresee the closure or freezing of the account after the expiry of 90 days should be implemented. In all cases, Reporting Financial Institutions shall ensure that they have obtained and validated the self-certification in time to be able to meet their due diligence and reporting obligations with respect to the reporting period during which the account was opened.

There is no prescribed format for a self-certification but it may, for example, form part of the account opening documentation. Whatever form it takes, it must allow the Reporting FI to determine the Account Holder’s residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting FI in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.

The self-certification must also include the Account Holder’s TIN and date of birth.

A self-certification must be signed by the Account Holder (or a person authorised to do so for her/him under domestic law), or in the case of an account opened by telephone or the internet, the self-certification must be positively affirmed – that is, the Account Holder must confirm the information provided. The self-certification must be dated no earlier than the date the Account Holder received the form; updated self-certifications may be date stamped by the receiving FI on receipt and that date will be taken as the date of signature.

Self-certifications may take a two stage process so that, if it is established that an Account Holder is a Mauritius tax resident and not tax resident elsewhere, then it will not be necessary to gather further information beyond the first three bullet points below.

Otherwise, self-certifications must include all of the following information for the Account Holder –

- name;
- residence address;
- jurisdiction(s) of residence for tax purposes ;
- TIN with respect to each Reportable Jurisdiction (see above); and
- date of birth.

Residence for an individual is defined in Section 73 of the Income Tax Act as follows:

An individual is resident in Mauritius in an income year if he –

(i) has his domicile in Mauritius unless his permanent place of abode is outside Mauritius;

(ii) has been present in Mauritius in that income year, for a period of, or an aggregate period of, 183 days or more; or

(iii) has been present in Mauritius in that income year and the 2 preceding income years, for an aggregate period of 270 days or more.

The self-certification does not need to include the place of birth of the Account Holder even where the Reporting FI is otherwise required to obtain and report it under domestic law.

This is because if that information is already required to be reported it will be held by the FI. The self-certification may be pre-populated by the reporting FI to include the Account Holder's information, except for the jurisdiction(s) of residence for tax purposes, to the extent already available in its records.

The self-certification may be provided in any manner and in any form, for example it can be in paper or electronic format. If the self-certification is provided electronically,

the FI must have systems in place to ensure that the information provided is that of the Account Holder and it must be able to provide a hard copy of all such self-certifications to the MRA on request.

Where an Account Holder provides a paper self-certification an FI may retain an original, certified copy, or photocopy (including a microfiche, electronic scan, or similar means of electronic storage) of the self-certification. Any documentation that is stored electronically must be made available by the FI in hard copy form to the MRA upon request.

The following examples illustrate how a self-certification may be provided:

Example 1

Individual A completes an online application to open an account with Reporting FI K. All the information required for self-certification is entered by A on an electronic application (including a confirmation of A's jurisdiction of residence for tax purposes). A positively confirms the information provided as part of the application.

A's information, as provided in the electronic self-certification, is confirmed by K's service provider to be reasonable based on the information it has collected pursuant to AML/KYC procedures.

A's self-certification is valid.

Example 2

Individual B makes an application in person to open an account with bank L. B produces his driving licence as proof of identification and provides all the information required for self-certification to an employee of L who enters the information into L's systems.

The application is subsequently signed by B.

B's self-certification is valid.

9.3 Validity of self-certification

A self-certification remains valid unless the Reporting FI knows, or has reason to know, that the original self-certification is incorrect or unreliable. This might be the case either at the time a new account is opened by an existing customer, or as a result of a change of circumstances reported by the Account Holder, for example, a change of address.

Whatever the cause, where the Reporting FI cannot rely on the original self-certification it must obtain either –

(i) a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder, or

(ii) a reasonable explanation and documentation (as appropriate) supporting the validity of the original self-certification (and retain a copy or a notation of such explanation and documentation).

A Reporting FI may have reason to know that a self-certification or Documentary Evidence is unreliable or incorrect. It may have information in its possession that suggest different facts pertaining to the Account Holder than those on the self-certification. This will include the knowledge of the relevant relationship managers. A reasonably prudent person in the position of the Reporting FI would question the information provided he/she has reason to know that the information may be incorrect or unreliable.

A Reporting FI also has reason to know that a self-certification or Documentary Evidence is unreliable or incorrect if there is information in the documentation or in the Reporting FI's account files that conflicts with the person’s claim regarding its status.

9.4 Standards of knowledge applicable to self-certifications and Documentary Evidence

- A self-certification provided by a person is considered unreliable or incorrect if: the self-certification is incomplete with respect to any item on the self-certification that is relevant to the claims made by the person;
- the self-certification contains any information that is inconsistent with the person's claim; or
- the Reporting FI has other account information that is inconsistent with the person's claim.

A Reporting FI that relies on a service provider to review and maintain a self-certification is considered to know or have reason to know the facts within the knowledge of the service provider.

A Reporting FI may not rely on documentary evidence provided by a person if:

(i) the documentary evidence does not reasonably establish the identity of the person presenting it.
(ii) the documentary evidence contains information that is inconsistent with the person's claim as to its status,
(iii) the Reporting FI has other account information that is inconsistent with the person's status, or
(iv) the documentary evidence lacks information necessary to establish the person's status.

An FI may choose to treat a person as having the same status that it had prior to the change in circumstances until the earlier of 90 calendar days from the date that the self-certification became invalid due to the change in circumstances, the date that the validity of the self-certification is confirmed, or the date that a new self-certification is obtained. An FI may rely on a self-certification without having to inquire into possible changes of circumstances that may affect the validity of the statement, unless it knows or has reason to know that circumstances have changed.

If the FI cannot obtain a confirmation of the validity of the original self-certification or a valid self-certification during such 90-day period, the Reporting FI must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and the jurisdiction in which they may be resident as a result of the change in circumstances.

A self-certification can become invalid as a result of a change of the Account Holder's circumstances. Reporting FIs need to have procedures to ensure that any change that constitutes a change in circumstances is identified.

A Reporting FI is expected to notify any person providing a self-certification of the person's obligation to notify the Reporting FI of a change in circumstances.

A change in circumstances affecting the self-certification provided to the Reporting FI will invalidate the self-certification with respect to the information that is no longer reliable until the information is updated.

A self-certification becomes invalid as soon as the Reporting FI knows or has reason to know that circumstances affecting the correctness of the self-certification have changed. However, a Reporting FI may treat the status of the Account Holder as unchanged until the earlier of –

- 90 calendar days from the date that the self-certification became invalid due to the change in circumstances;
- the date that the validity of the self-certification is confirmed (where appropriate); or
- the date that a new self-certification is obtained.

A Reporting FI may rely on a self-certification without having to inquire into possible changes of circumstances that may affect the validity of the statement, unless it knows or has reason to know that circumstances have changed.

If the Reporting FI cannot obtain a confirmation of the validity of the original self-certification or a valid self-certification during the 90-day period, the FI must continue to treat the Account Holder as resident in the jurisdiction identified in the original self-

certification and must also treat the Account Holder as resident in the jurisdiction indicated by the change of circumstance.

CHAPTER 10

Due Diligence: Pre-existing Entity Accounts

10.1 Introduction

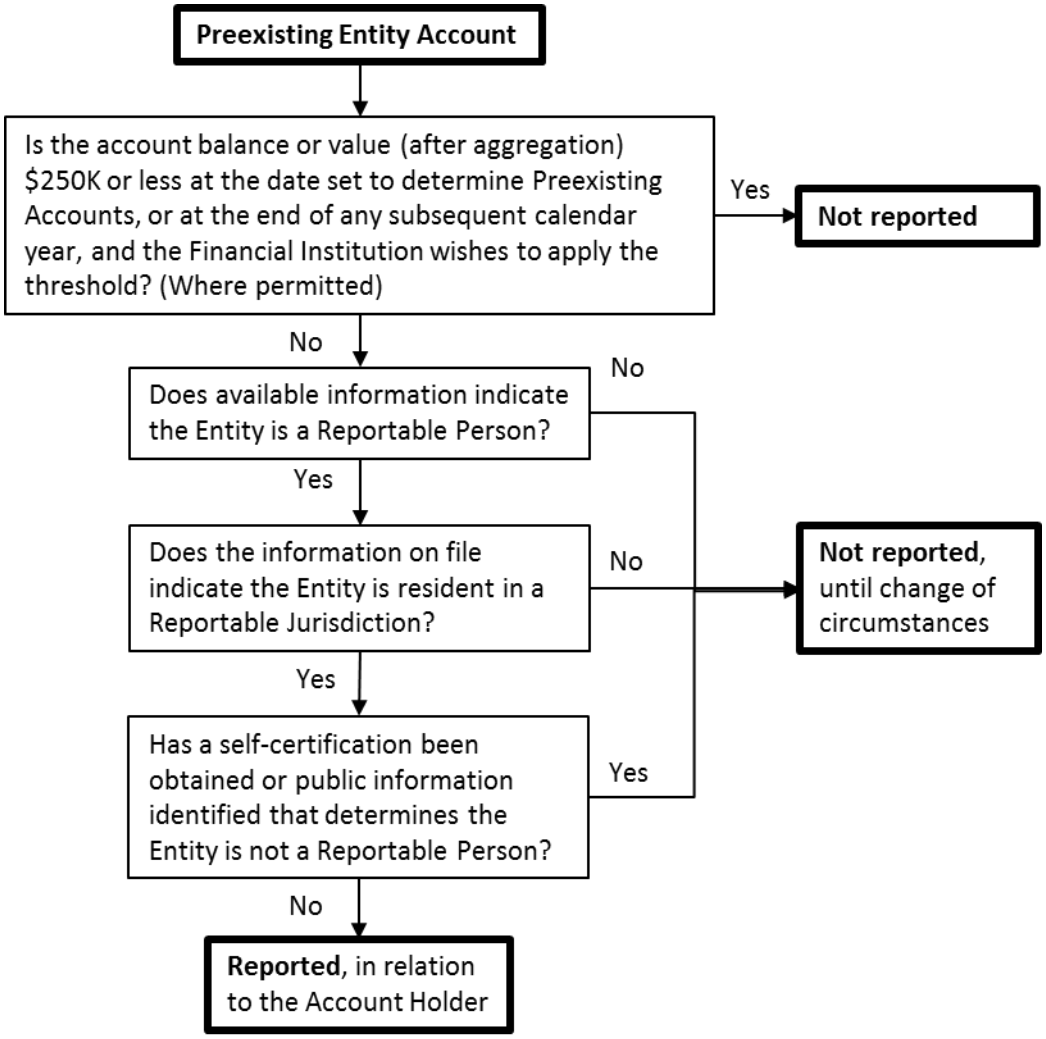
A Pre-existing Entity Account is a Financial Account maintained by an FI as at 31 December 2016.

An entity for the purposes of the CRS is a legal person or legal arrangement. It covers any person other than an individual and includes legal arrangements such as partnerships and trusts.

For reporting purposes, an entity will either be an FI or an NFE.

FIs have up to 31 December 2018 to review pre-existing entity accounts. Pre-Existing entity accounts that are identified as Reportable Accounts in a calendar year, are reportable for that calendar year. Under CRS, FIs have until 31 December 2018 to carry out due diligence on entity accounts in existence at 31 December 2016. Thus, all such accounts must be reported no later than 2019 but if any reportable accounts are identified on or before 31 December 2017 they must be reported in 2018.

The diagram below summarises the process to establish whether the Entity Account Holder is a Reportable Person and therefore whether the account is a Reportable Account by virtue of its Account Holder



10.2 Threshold exemptions applying to Pre-existing Entity Accounts

For CRS, FIs have the option to exclude from their due diligence procedures pre-existing entity accounts with an aggregate account balance or value of $250,000 or less as at 31 December 2016. The effect of choosing this option is that the FIs not required to review any of its pre-existing entity accounts within the de minimis threshold. The de minimis threshold can be applied either to all pre-existing entity accounts or to a clearly identifiable group of such accounts (for example, accounts held by a particular line of business).

If an FI chooses not to make an election to apply the threshold exemption it will need to review all pre-existing entity accounts in order to identify Reportable Accounts.

Where an election has been made to apply the de minimis threshold to an account, the FI must review the account balance at 31 December each year to determine if the balance has exceeded the relevant threshold. Where the threshold is exceeded for an account it becomes reviewable (that is, the due diligence procedures for pre-existing entity accounts must be applied). Where the account is identified as a Reportable Account, it is reportable from the year in which it was so identified.

For CRS, accounts become reviewable once the balance has been established as exceeding $250,000 at a review date. The deadline for completing account balance review is 31 December following the account balance review date.

A similar exception exists for FATCA. However, FATCA allows the review to be delayed until the aggregate account balance or value exceeds $1million.

10.3 Reportable Accounts

A pre-existing entity account is a Reportable Account where the review procedures identify the account as held by one or more entities that are Reportable Persons or which are passive NFEs with one or more Controlling Persons that are Reportable Persons.

For example, the XYZ Partnership is a passive NFE resident in Mauritius. It has three individuals who are identified as Controlling Persons of the partnership. Two of these are Mauritius tax resident but the third is tax resident in France which is a Reportable Jurisdiction. As a result any accounts held by the partnership with a Mauritius FI will be Reportable Accounts by virtue of the entity having a Controlling Person that is a Reportable Person.

10.4 Review procedure for Account Holders

FIs are required to determine whether a pre-existing account is held by one or more entities that are Reportable Persons or which are passive NFEs with one or more Controlling Persons that are Reportable Persons. Such entity accounts will be Reportable Accounts.

The FI must review information maintained for regulatory or customer relationship purposes (including information collected as part of any AML/KYC procedure) to determine where the entity is tax resident, unless residence can be reasonably determined through the use of publicly available information. The entity will be reportable if the information indicates that the entity is tax resident in a Reportable Jurisdiction. Such information will include, but is not limited to:

- a place of incorporation or organisation in a Reportable Jurisdiction;
- an address in a Reportable Jurisdiction; or
- where the entity is a trust, an address of one or more of the trustees in a Reportable Jurisdiction.

As the definition of entity goes beyond corporate structures to include fiscally transparent vehicles such as trusts and partnerships, the address of the entity should be interpreted widely so as to include the registered office, principal office and/or the place of effective management.

The existence of a permanent establishment (including a branch) in a Reportable Jurisdiction is not, in isolation, an indication of residence for this purpose.

Although there is no exemption from a paper record search for pre-existing entity accounts, such a search is not required in areas where all the information is electronically searchable (for example, information held for AML/KYC purposes).

If the information indicates that the Account Holder is tax resident in a Reportable Jurisdiction then the account is a Reportable Account unless the FI obtains a self-certification from the Account Holder, or determines, based on information in its possession or which is publicly available, that the Account Holder is not a Reportable Person.

10.5 Available Information

Where the FI has carried out the review of regulatory and customer relationship information and has indications that the Account Holder is resident in a Reportable Jurisdiction it may take into account information in its possession, or which is publicly

available, which reasonably determines that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

Such information will include the following:

- information published by an authorised government body of a jurisdiction. For example, the list of Foreign Financial Institutions published by the US tax administration;
- information in a publicly accessible register maintained or authorised by an authorised government body of a jurisdiction;
- information disclosed on an established securities market;
- information previously recorded in the files of the FI;

Where the FI relies on such information it must retain a notation of the type of information reviewed and the date the review was carried out.

10.6 Self-certification

Where the FI has carried out the review of regulatory and customer relationship information and has indications that the Account Holder is resident in a Reportable Jurisdiction it may obtain a self-certification from the Account Holder which reasonably determines that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

A self-certification for an entity must be signed (or otherwise positively affirmed) by the person with authority to sign on behalf of the entity. This will include:

- an officer or director of a corporate entity;
- a partner of a partnership;
- a trustee of a trust;
- any person holding an equivalent title to any of the above; and
- any other person with written authorisation from the entity to sign documentation on behalf of the entity.

The self-certification must also be dated at the latest at the date of receipt by the FI and must contain the following information in respect of the entity:

- the name;
- the address;
- the jurisdiction(s) of residence for tax purposes; and
- the TIN with respect to each Reportable Jurisdiction.

The FI may also request the Account Holder entity to include its status in the self-certification as either an FI or an NFE. When requesting this information from an Account Holder the FI is expected to provide the Account Holder with sufficient information to enable it to determine its status. FIs may produce their own guidance for this purpose or they may reference the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters.

10.7 Self-certification as a Financial Institution

The FI may request the Account Holder entity to include its status in the self-certification as either an FI or an NFE. When requesting this information from an Account Holder the FI is expected to provide the Account Holder with sufficient information to enable it to determine its status.

If the Account Holder entity falls within the definition of an FI then where it is an FI, wherever resident, no further review, identification or reporting will normally be required.

The exception to this under the CRS regime is where the FI is a managed investment entity resident in a jurisdiction that is not a Participating Jurisdiction. In that case the entity is deemed to be a passive NFE for reporting purposes.

10.8 Self-certification as a Non- Financial Entity

The FI may request the Account Holder entity to include its status in the self-certification as either an FI or an NFE. When requesting this information from an

Account Holder the FI is expected to provide the Account Holder with sufficient information to enable it to determine its status.

If the Account Holder entity falls within the definition of an NFE then the information to be reported will depend on whether the entity is an active NFE or a passive NFE.

10.9 Review procedure for controlling persons

When an FI has determined that an Account Holder is an NFE it must carry out review procedures to determine:

a. Whether the Account Holder is a passive NFE;

b. If so, the Controlling Persons of that passive NFE; and

c. Whether any of the Controlling Persons is a Reportable Person.

Is the Account Holder a passive NFE?

The FI must obtain a self-certification from the Account Holder unless it has information in its possession, or that is publicly available, based on which it can reasonably determine the status of the Account Holder as an active NFE or an FI (other than a managed investment entity resident in a non-Participating Jurisdiction). If the FI cannot determine the status of the Account Holder as an active NFE or an FI then the FI must presume the Account Holder to be a passive NFE.

Identifying Controlling Persons.

To identify the Controlling Persons, the FI may rely on information collected and maintained pursuant to AML/KYC procedures.

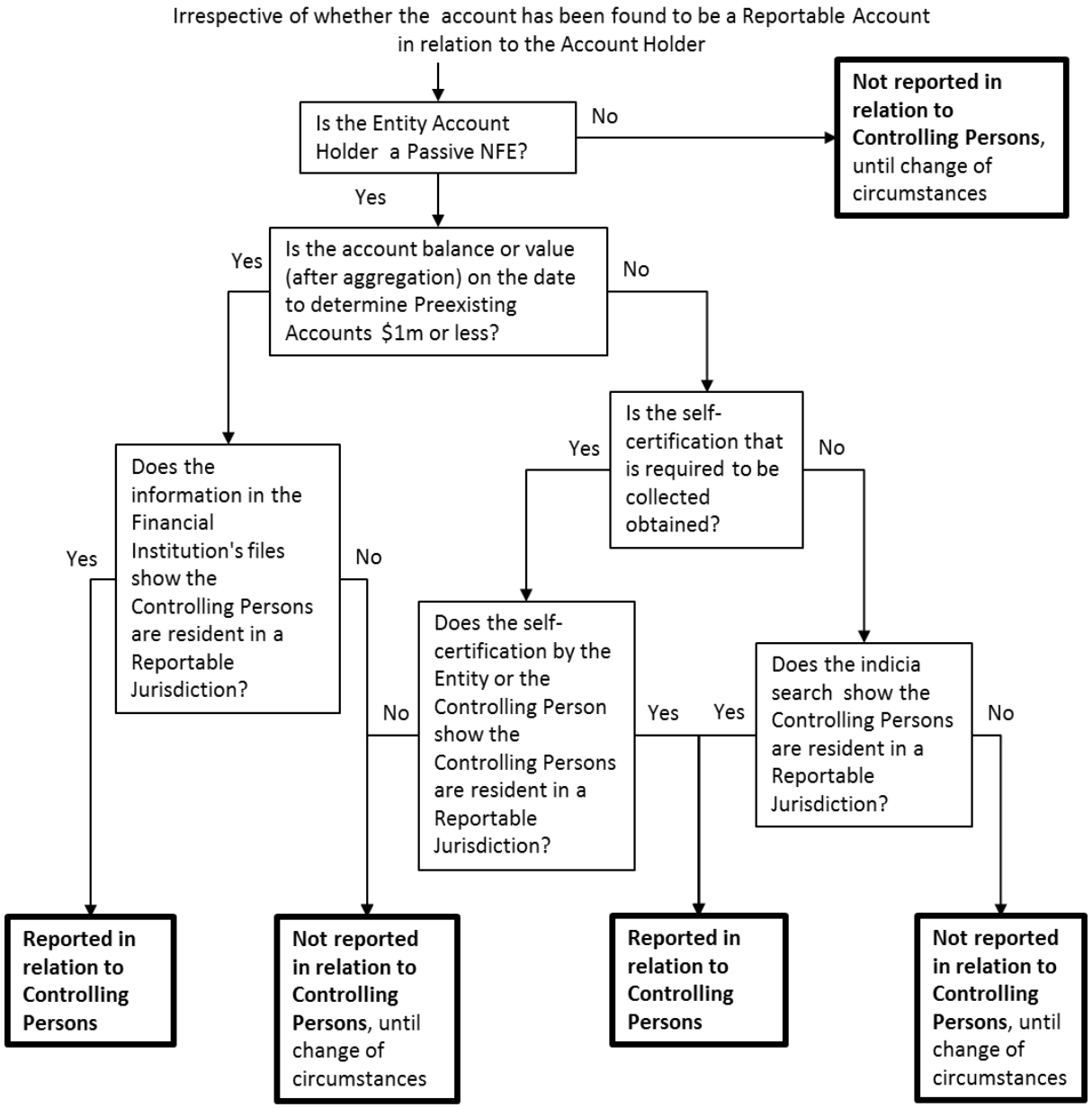
Are any of the Controlling Persons a Reportable Person?

If the account balance or value does not exceed an amount equivalent to $1million, the FI may rely on information collected and maintained pursuant to AML/KYC procedures to determine whether the Controlling Person is a Reportable Person or it may choose to obtain a self-certification from the Account Holder or the Controlling Person.

If the account balance exceeds an amount equivalent to $1million the FI must obtain a self-certification from either the Account Holder or the Controlling Person. This may be provided in the same self-certification as the one provided by the Account Holder to determine its own status. The self-certification requirements are the same as for New Individual Accounts.

If a self-certification is required but is not obtained the FI must rely on the electronic record search for pre-existing individual accounts to determine if there are indicia present that can be used to determine the reportable status of the Controlling Person. If none is present in its records, the FI need take no further action unless and until there is a change of circumstance with respect to the Controlling Person.

This can be summarised in the following diagram:


Irrespective of whether the account has been found to be a Reportable Account in relation to the Account Holder
Is the Entity Account Holder a Passive NFE?
No
Not reported in relation to Controlling Persons, until change of circumstances
Yes
Is the account balance or value (after aggregation) on the date to determine Preexisting Accounts $1m or less?
Yes
No
Does the information in the Financial Institution's files show the Controlling Persons are resident in a Reportable Jurisdiction?
Yes
No
Is the self-certification that is required to be collected obtained?
Yes
No
Does the self-certification by the Entity or the Controlling Person show the Controlling Persons are resident in a Reportable Jurisdiction?
No
Yes
Does the indicia search show the Controlling Persons are resident in a Reportable Jurisdiction?
Yes
No
Reported in relation to Controlling Persons
Not reported in relation to Controlling Persons, until change of circumstances
Reported in relation to Controlling Persons
Not reported in relation to Controlling Persons, until change of circumstances

CHAPTER 11

Due Diligence: New Entity Accounts

11.1 Introduction

A New Entity Account is an account that is not held by an individual and that is opened on or after 1 January 2017.

The due diligence procedures for New Entity Accounts require that a self-certification be obtained from the Account Holder. If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, then the Reporting FI must treat the account as a Reportable Account.

The wider approach requires FI s to identify the territory in which an entity is tax resident, irrespective of whether or not that territory is a Reportable Jurisdiction. It applies to New Accounts as well as Pre-existing Accounts. The self-certification process can be used for this purpose. This information must be maintained by the Reporting FI for a period of 5 years from the end of the period in which the territory is identified.

Where a New Account is opened by an entity Account Holder who already has a Pre-existing Account the FI may treat both accounts as one account for the purposes of applying AML/KYC due diligence. In these circumstances, the FI may choose to apply the identification and documentation procedures for either Pre-existing or New Accounts to derive the CRS classification for any New Account opened on or after 1 January 2017 by the same entity.

There is no de minimis threshold for New Entity Accounts as compared to Pre-Existing Accounts.

11.2 Determining whether the entity is a reportable person

Where a New Entity Account is held by one or more Entities that are Reportable Persons, then the account must be treated as a Reportable Account.

11.2.1 Self-certification

To determine this, FIs must obtain a self-certification as part of the account opening procedure and confirm the reasonableness of such self-certification based on the information obtained in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures. In practice, this means the FI must not know or have reason to know that the self-certification is incorrect or unreliable - if the self-certification fails the reasonableness test, a new valid self-certification must be obtained. FIs are not, however, expected to carry out an independent legal analysis of relevant tax laws to confirm the reasonableness of a self-certification. Paragraph 14 of the Commentary on Section VI of the CRS contains examples illustrating the application of the “reasonableness” test.

The self-certification must allow determining the Account Holder’s residence(s) for tax purposes.

With respect to New Entity Accounts, a self-certification is valid only if it complies with the requirements for the validity of self-certifications for Pre-existing Entity Accounts.

11.2.2 Timing of self-certification

It is expected that FIs will maintain account opening processes that facilitate collection of a self-certification at the time of the account opening, whether that process is done face-to-face, online or by telephone. There may be circumstances, however, where it is not possible or practical to obtain a self-certification on ‘day one’ of the account opening process, for example where an insurance contract has been assigned from one person to another or in the case where an investor acquires shares in an investment trust on the secondary market.

In such circumstances, it is expected that the self-certification should be obtained within a period of 90 days or such reasonable time as the circumstances dictate.

A Reporting Financial Institution must obtain a self-certification upon account opening (Sections IV(A) and VI(A) of the Standard). Where a self-certification is obtained at account opening but validation of the self-certification cannot be completed because it is a 'day two' process undertaken by a back-office function, the self-certification should be validated within a period of 90 days.

There are a limited number of instances, where due to the specificities of a business sector it is not possible to obtain a self-certification on 'day one' of the account opening process, for example where an insurance contract has been assigned from one person to another or in the case where an investor acquires shares in an investment trust on the secondary market. In such circumstances, the self-certification should be both obtained and validated as quickly as feasible, and in any case within a period of 90 days.

Financial Institutions have to ensure that self-certifications are obtained and validated in accordance with the rules set out in the CRS. In that light, measures that either foresee the closure or freezing of the account after the expiry of 90 days should be implemented. In all cases, Reporting Financial Institutions shall ensure that they have obtained and validated the self-certification in time to be able to meet their due diligence and reporting obligations with respect to the reporting period during which the account was opened.

11.2.3 Information in the financial institution's possession or that is publicly available

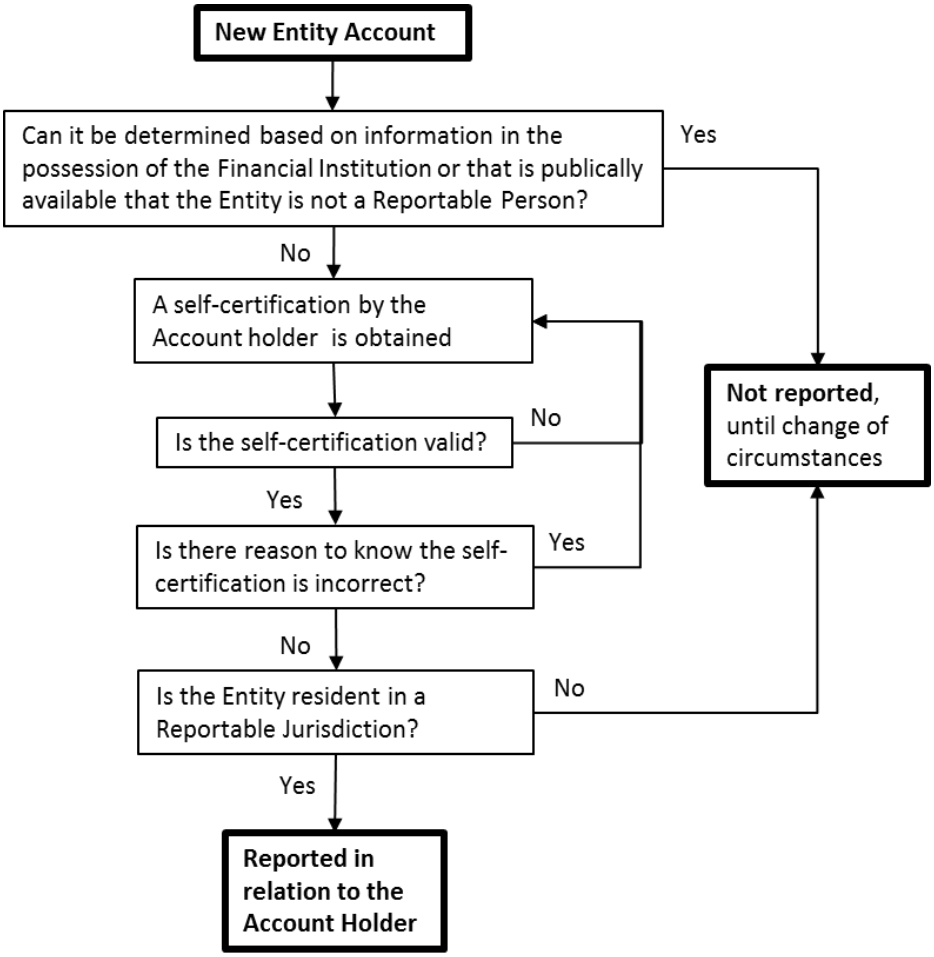
The due diligence procedures provide an exception to the requirement to obtain a self-certification where the FI can reasonably determine, based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person. For example, such information may show that the entity is in fact a corporation that is publicly traded or a Governmental Entity.

Where a self-certification is obtained and it indicates that the Account Holder is resident in a Reportable Jurisdiction, the FI must treat the account as a Reportable

Account. Again, an exception applies where the FI can reasonably determine, based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

Note that FIs are not obliged to rely on these exceptions and they may insist on self-certifications being provided.

This can be summarised in the following diagram:



11.3 Determining whether the entity is a Reportable Person: Jurisdiction of Residence

The domestic laws of the various jurisdictions lay down the conditions under which an entity is to be treated as fiscally resident.

Generally, an entity will be resident for tax purposes in a jurisdiction if, under the laws of that jurisdiction, it is liable to tax by reason of its domicile, residence, place of management or incorporation, or any other criterion of a similar nature. An entity will only be tax resident in one jurisdiction, although that may not always be the case. Dual resident entities may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for determining their residence for tax purposes.

Where an entity such as a partnership, limited liability partnership or similar legal arrangement has no residence for tax purposes it shall be treated as resident in the jurisdiction in which its place of effective management is situated or, in the case of a trust, the jurisdiction(s) in which the trustee(s) is/are resident.

11.4 Identification of an Entity as a Passive Non-Financial Entity

Under the CRS the definition of a Passive NFE includes Investment Entities not resident in a Participating Jurisdiction. Passive NFEs are reportable, regardless of whether they are resident in the same jurisdiction as their Controlling Persons.

Is the Account Holder a passive NFE?

The FI must obtain a self-certification from the Account Holder unless it has information in its possession, or that is publicly available, based on which it can reasonably determine the status of the Account Holder as an active NFE or an FI (other than a managed investment entity resident in a non-Participating Jurisdiction). If the FI cannot determine the status of the Account Holder as an active NFE or an FI then the FI must presume the Account Holder to be a passive NFE.

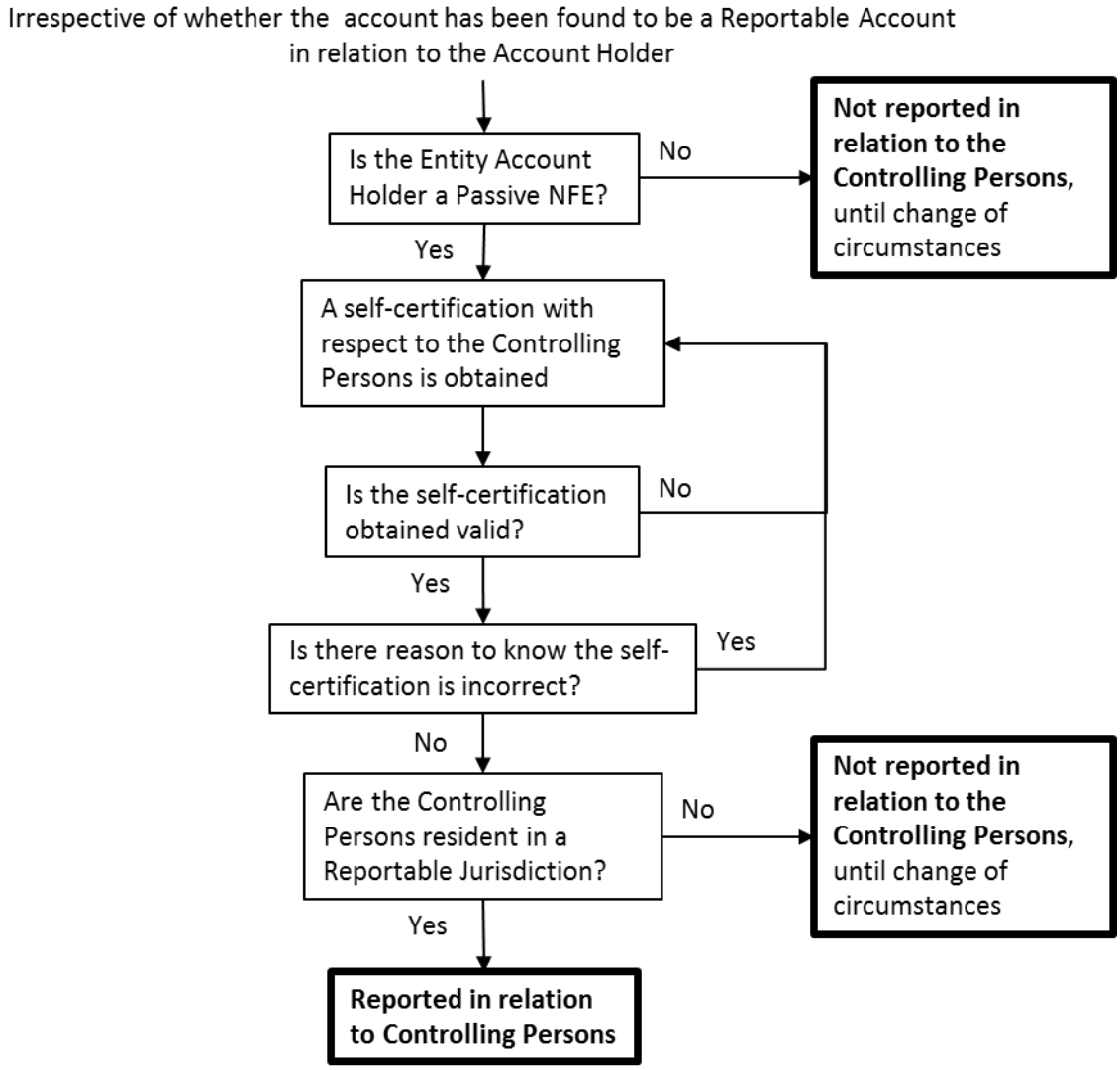
Identifying Controlling Persons

To identify the Controlling Persons, the FI may rely on information collected and maintained pursuant to AML/KYC procedures.

Determining whether a Controlling Person is a Reportable Person

For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, an FI may **only** rely on a self-certification from either the entity Account Holder or the Controlling Person.

This can be summarised in the following diagram:



11.5 Change in Circumstances

A “change in circumstances” includes any change that results in the addition of information relevant to a person’s status or otherwise conflicts with such person’s status. In addition, a change in circumstances includes any change or addition of information to the Account Holder’s account (including the addition, substitution, or other change of an Account Holder) or any change or addition of information to any account associated with such account if such change or addition of information affects the status of the Account Holder.

A self-certification can become invalid as a result of a change of the Account Holder’s circumstances. Reporting FIs need to have procedures to ensure that any change that constitutes a change in circumstances is identified.

A Reporting FI is expected to notify any person providing a self-certification of the person's obligation to notify the reporting FI of a change in circumstances.

A change in circumstances affecting the self-certification provided to the Reporting FI will invalidate the self-certification with respect to the information that is no longer reliable until the information is updated. A self-certification becomes invalid as soon as the Reporting FI knows or has reason to know that circumstances affecting the correctness of the self-certification have changed. However, a Reporting FI may treat the status of the Account Holder as unchanged until the earlier of:

(a) 90 calendar days from the date that the self-certification became invalid due to the change in circumstances;
(b) the date that the validity of the self-certification is confirmed (where appropriate); or
(c) the date that a new self-certification is obtained.

A Reporting FI may rely on a self-certification without having to inquire into possible changes of circumstances that may affect the validity of the statement, unless it knows or has reason to know that circumstances have changed.

If the Reporting FI cannot obtain a confirmation of the validity of the original self-certification or a valid self-certification during the 90-day period, the FI must continue

to treat the Account Holder as resident in the jurisdiction identified in the original self-certification and must also treat the Account Holder as resident in the jurisdiction indicated by the change of circumstance.

CHAPTER 12

Special Due Diligence Rules

12.1 Reliance on self-certifications and documentary evidence

Where information already held by an FI, including knowledge about the customer held by a relationship manager, conflicts with any statements or self-certification, or the FI has reason to know that the self-certification or other Documentary Evidence is incorrect, it may not rely on that evidence or self-certification.
An FI will be considered to have reason to know that a self-certification or other documentation associated with an account is unreliable or incorrect if, based on the relevant facts, a reasonably prudent person would know this to be the case.

Reliance upon an audited financial statement
FIs may rely upon an audited financial statement to establish that an Account Holder meets a certain income or asset threshold, but are not obliged to where the entity's status can be established from other information or documentation that it holds.

If an FI does rely upon an audited financial statement to establish a status for an Account Holder it has reason to know that the status claimed is unreliable or incorrect only if the audited financial statement for the Account Holder or the notes or footnotes to the financial statement conflicts with the self-certification provided to it.

An FI will only be required to review the notes or footnotes to the financial statement where establishing the status for an Account Holder does not require the Account Holder to meet an asset or income threshold.

If an FI does rely upon other documentation to establish the Account Holder's status there is no need to review any financial statements that may have been provided to it as part of the account opening.

Reliance upon other documentation

Where an FI relies on organisational documents to establish that an Account Holder has a particular status, it will only be required to review the documents to the extent needed to establish that the requirements applicable to the particular status are met.

12.2 Reliance on self-certifications and documentary evidence: limits on reason to know

Pre-existing entity accounts

For the purposes of determining whether an FI that maintains a pre-existing entity account has reason to know that the status applied to the entity is unreliable or incorrect, the FI is only required to review information that may contradict the status claimed if such information is contained in:

- the most recent self-certification and Documentary Evidence;
- the current customer master file;
- the most recent account opening contract; and
- the most recent documentation obtained for AML/KYC procedures or for other regulatory purposes.

Multiple accounts

An FI that maintains multiple accounts for a single Account Holder will have reason to know that a claimed status for the person is inaccurate based on account information for another account held by the person only to the extent that the accounts are either required to be aggregated or because of any other ‘reason to know’; for example, knowledge of a relationship manager.

Change of address within same jurisdiction

A change of address in the same jurisdiction as that of the previous address is not a reason to know that the self-certification or Documentary Evidence provided is inaccurate.

Conflicting indicia

An FI does not know or have reason to know that a self-certification or Documentary Evidence is unreliable or incorrect solely because it discovers any of the following indicia and such indicia conflicts with the self-certification or Documentary Evidence:

- one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting FI; or

- standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction; or

- currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction.

Examples

The following examples illustrate the application of the limits on the standards of 'reason to know':

Example 1: Reporting FI bank 'A' maintains a Depository Account for individual Account Holder 'P'

- P holds a pre-existing Depository Account with A. A has relied on the address in its records for P, as supported by his passport and a utility bill collected upon opening of the account, to determine that P is resident for tax purposes in jurisdiction X (application of the residence address test).
- Five years later, P provides a power of attorney to his sister, who lives in jurisdiction Y, to operate his account. The fact that P has provided such power

of attorney is not sufficient by itself to give a reason to know that the Documentary Evidence relied upon to treat P as a resident of jurisdiction X is unreliable or incorrect.

Example 2: Reporting Financial Institution insurance company 'B' has entered into a Cash Value Insurance Contract with individual Account Holder 'D'

- The contract is a New Individual Account. B has obtained a self-certification from D and confirmed its reasonableness on the basis of the AML/KYC documentation collected from D. The self-certification confirms that D is resident for tax purposes in jurisdiction V.
- Two years after B entered into the contract with D, D provides a telephone number in jurisdiction T to B. Although B did not previously have any telephone number in its records for D, the sole receipt of a telephone number in jurisdiction T does not in itself constitute a reason to know that the original self-certification is unreliable or incorrect.

12.3 Alternative procedures for cash value insurance and annuity contracts

12.3.1 Individual beneficiary of a Cash Value Insurance Contract or an Annuity Contract

An FI can treat an individual beneficiary (other than the owner) who receives a death benefit under a Cash Value Insurance Contract or an Annuity Contract as a non-Reportable Person unless the FI has knowledge or reason to know that the beneficiary is in fact a Reportable Person.

12.3.2 Group Cash Value Insurance Contracts or group Annuity Contracts

An FI can treat an account that is a group Cash Value Insurance Contract or a group Annuity Contract, and that meets the requirements set out below, as a non-

Reportable Account until the date on which an amount is payable to an employee/certificate holder or beneficiary.

An FI is not required to review all the account information collected by the employer to determine if an Account Holder's status is unreliable or incorrect.

The requirements are that:

- the group Cash Value Insurance Contract or group Annuity Contract is issued to an employer and covers twenty-five or more employees/certificate holders; and

- the employee/certificate holders are entitled to receive any contract value; and to name beneficiaries for the benefit payable upon the employee holders; and

- the aggregate amount payable to any employee/certificate holder or beneficiary does not exceed $1,000,000.

12.4 Account balance aggregation and currency rules

12.4.1 Aggregation of individual accounts and entity accounts

Identical rules apply to aggregation for individual and entity accounts. An account held by one or more individuals as a partner(s) of a partnership is treated as an entity account and is not treated as an individual account.

FIs are required to aggregate all financial accounts maintained by it or by a related entity, but only to the extent that the FI's computerised systems link the financial accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated.

Each joint holder of a Financial Account must be attributed the entire balance or value of the account for purposes of applying the aggregation requirements.

12.4.2 Special aggregation rule applicable to relationship managers – all accounts

In determining the aggregate balance or value of financial accounts held by a person to determine whether a Financial Account is a High Value Account, an FI is also required to aggregate all accounts held by that person which a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by that person.
Paragraph 18 of the Commentary to Section VII of the Common Reporting Standard contains examples that may be helpful.

12.4.3 Currency Translation

Where accounts are denominated in a currency other than US dollars, then FIs have the option to convert the threshold limits into the currency in which the accounts are denominated before determining if they apply.

This should be done using a published spot rate for the 31 December of the year being reported or in the case of an insurance contract or Annuity Contract, the date of the most recent contract valuation.

CHAPTER 13

Miscellaneous

13.1 Registration

MRA e-Services will be used for CRS reporting to the MRA. Mauritius FIs will submit their CRS returns to the MRA by uploading the data onto the portal using the MRA e-Services. The data which will be submitted by the FIs to the MRA has to be in XML format.

In order to use the MRA e-Services, the FIs will need to register with the MRA. Upon registration, the FIs will be provided with a username and a password which they will use to log on to the MRA e-Services and upload the XML file.

If an FI is using a third party service provider, then this third party will be required to register the FI with the MRA. In that case, the legal responsibility for ensuring that reporting is done correctly and properly remains that of the FI.

Once received from the FIs, the MRA will transmit the XML files to the relevant Jurisdictions.

13.2 Undocumented Accounts

An “undocumented account” generally arises when a Reporting FI is unable to obtain information from an Account Holder in respect of a Pre-existing Account (see paragraphs 28-29, 45 and 48 of the Commentary on Section III). This could either be the result of inadequate procedures being implemented by a Reporting FI to obtain the necessary information or the Account Holder is non-compliant. Either case is a cause for concern. The MRA will follow up with any Reporting FI that reports

undocumented accounts. In the case of a small number of undocumented accounts, a simple inquiry to the Reporting FI may be sufficient. However, if such a Reporting FI reports a larger than average number of undocumented accounts in any one year or the number of undocumented accounts reported continues to increase, a full audit of the Reporting FI's due diligence procedures may be undertaken.

13.3 Nil Returns

Financial Institutions will not be required to file nil returns in the event that the accounts maintained by the FIs do not contain any Reportable Accounts in respect of any calendar year. However a notification will have to be made through the CRS portal on the MRA portal where the FI does not maintain any reportable accounts.

13.4 Minor Errors

In the event that the information reported is corrupted or incomplete, the Receiving Jurisdiction will be able to contact the Reporting FI through the MRA to try and resolve the problem.

Examples of minor errors could include –

- data fields missing or incomplete;
- data that has been corrupted;
- use of an incompatible format.

Where this leads to the information having to be submitted anew the FI will have to do so via the MRA.

Continual and repeated administrative or minor errors could be considered as significant non-compliance where they continually and repeatedly disrupt and prevent transfer of the information.

13.5 Options

There are fifteen main areas where the CRS provides options for jurisdictions to implement as suited to their domestic circumstances in order to provide for easier implementation, and reduced burdens, without impacting on the purpose or effectiveness of the CRS.

Annex 4 deals with the options available under the CRS and includes cross references to these Guidance Notes, where relevant.

13.6 Sanction for Non-compliance

The obligations laid down in these Guidance Notes follow from the provisions of Section 76 (5A) of the Income Tax Act which gives the Director General the power to lay down procedures for the implementation of the CRS, as stated in paragraph 2.4 of Chapter 2.

Failure by an FI to comply with those obligations constitutes an offence under Section 148 (1) (f) of the Income Tax Act and, on conviction, the FI is liable to a fine not exceeding 5,000 rupees and to imprisonment for a term not exceeding 6 months.

13.7 Frequently Asked Questions

Common issues have been addressed by the OECD. These have been posted on the OECD website in the form of FAQS and can be accessed through the link below:
http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/CRS-related-FAQs.pdf

13.8 MRA Website

A copy of these draft Guidance Notes is available on the MRA website:
www.mra.mu

Annex 1 – The Convention

Convention

on Mutual Administrative Assistance

in Tax Matters

Text amended by the provisions of the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters, which entered into force on 1st June 2011.

Preamble

The member States of the Council of Europe and the member countries of the Organisation for Economic Co-operation and Development (OECD), signatories of this Convention,

Considering that the development of international movement of persons, capital, goods and services – although highly beneficial in itself – has increased the possibilities of tax avoidance and evasion and therefore requires increasing co-operation among tax authorities;

Welcoming the various efforts made in recent years to combat tax avoidance and tax evasion on an international level, whether bilaterally or multilaterally;

Considering that a co-ordinated effort between States is necessary in order to foster all forms of administrative assistance in matters concerning taxes of any kind whilst at the same time ensuring adequate protection of the rights of taxpayers;

Recognising that international co-operation can play an important part in facilitating the proper determination of tax liabilities and in helping the taxpayer to secure his rights;

Considering that fundamental principles entitling every person to have his rights and obligations determined in accordance with a proper legal procedure should be recognised as applying to tax matters in all States and that States should endeavour to protect the legitimate interests of taxpayers, including appropriate protection against discrimination and double taxation;

Convinced therefore that States should carry out measures or supply information, having regard to the necessity of protecting the confidentiality of information, and taking account of international instruments for the protection of privacy and flows of personal data;

Considering that a new co-operative environment has emerged and that it is desirable that a multilateral instrument is made available to allow the widest number of States to obtain the benefits of the new co-operative environment and at the same time implement the highest international standards of co-operation in the tax field;

Desiring to conclude a convention on mutual administrative assistance in tax matters,

Have agreed as follows:

Chapter I – Scope of the Convention

Article 1 – Object of the Convention and persons covered

1 The Parties shall, subject to the provisions of Chapter IV, provide administrative assistance to each other in tax matters. Such assistance may involve, where appropriate, measures taken by judicial bodies.

2 Such administrative assistance shall comprise:

a exchange of information, including simultaneous tax examinations and participation in tax examinations abroad;

b assistance in recovery, including measures of conservancy; and

c service of documents.

3 A Party shall provide administrative assistance whether the person affected is a resident or national of a Party or of any other State.

Article 2 – Taxes covered

1 This Convention shall apply:

a to the following taxes:

i taxes on income or profits,

ii taxes on capital gains which are imposed separately from the tax on income or profits,

iii taxes on net wealth,

imposed on behalf of a Party; and

b to the following taxes:

i taxes on income, profits, capital gains or net wealth which are imposed on behalf of political subdivisions or local authorities of a Party,

ii compulsory social security contributions payable to general government or to social security institutions established under public law, and

iii taxes in other categories, except customs duties, imposed on behalf of a Party, namely:

A. estate, inheritance or gift taxes,

B. taxes on immovable property,

C. general consumption taxes, such as value added or sales taxes,

D. specific taxes on goods and services such as excise taxes,

E. taxes on the use or ownership of motor vehicles,

F. taxes on the use or ownership of movable property other than motor vehicles,

G. any other taxes;

iv taxes in categories referred to in sub-paragraph iii. above which are imposed on behalf of political subdivisions or local authorities of a Party.

2 The existing taxes to which the Convention shall apply are listed in Annex A in the categories referred to in paragraph 1.

3 The Parties shall notify the Secretary General of the Council of Europe or the Secretary General of OECD (hereinafter referred to as the "Depositaries") of any change to be made to Annex A as a result of a modification of the list mentioned in paragraph 2. Such change shall take effect on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary.

4 The Convention shall also apply, as from their adoption, to any identical or substantially similar taxes which are imposed in a Contracting State after the entry into force of the Convention in respect of that Party in addition to or in place of the existing taxes listed in Annex A and, in that event, the Party concerned shall notify one of the Depositaries of the adoption of the tax in question.

Chapter II – General definitions

Article 3 – Definitions

1 For the purposes of this Convention, unless the context otherwise requires:

a the terms “applicant State” and “requested State” mean respectively any Party applying for administrative assistance in tax matters and any Party requested to provide such assistance;

b the term “tax” means any tax or social security contribution to which the Convention applies pursuant to Article 2;

c the term “tax claim” means any amount of tax, as well as interest thereon, related administrative fines and costs incidental to recovery, which are owed and not yet paid;

d the term “competent authority” means the persons and authorities listed in Annex B;

e the term “nationals” in relation to a Party means:

i all individuals possessing the nationality of that Party, and

ii all legal persons, partnerships, associations and other entities deriving their status as such from the laws in force in that Party.

For each Party that has made a declaration for that purpose, the terms used above will be understood as defined in Annex C.

2 As regards the application of the Convention by a Party, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the law of that Party concerning the taxes covered by the Convention.

3 The Parties shall notify one of the Depositaries of any change to be made to Annexes B and C. Such change shall take effect on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary in question.

Chapter III – Forms of assistance

Section I – Exchange of information

Article 4 – General provision

1 The Parties shall exchange any information, in particular as provided in this section, that is foreseeably relevant for the administration or enforcement of their domestic laws concerning the taxes covered by this Convention.

2 Any Party may, by a declaration addressed to one of the Depositaries, indicate that, according to its internal legislation, its authorities may inform its resident or national before transmitting information concerning him, in conformity with Articles 5 and 7.

Article 5 – Exchange of information on request

1 At the request of the applicant State, the requested State shall provide the applicant State with any information referred to in Article 4 which concerns particular persons or transactions.

2 If the information available in the tax files of the requested State is not sufficient to enable it to comply with the request for information, that State shall take all relevant measures to provide the applicant State with the information requested.

Article 6 – Automatic exchange of information

With respect to categories of cases and in accordance with procedures which they shall determine by mutual agreement, two or more Parties shall automatically exchange the information referred to in Article 4.

Article 7 – Spontaneous exchange of information

1 A Party shall, without prior request, forward to another Party information of which it has knowledge in the following circumstances:

a the first-mentioned Party has grounds for supposing that there may be a loss of tax in the other Party;

b a person liable to tax obtains a reduction in or an exemption from tax in the first-mentioned Party which would give rise to an increase in tax or to liability to tax in the other Party;

c business dealings between a person liable to tax in a Party and a person liable to tax in another Party are conducted through one or more

countries in such a way that a saving in tax may result in one or the other Party or in both;

d a Party has grounds for supposing that a saving of tax may result from artificial transfers of profits within groups of enterprises;

e information forwarded to the first-mentioned Party by the other Party has enabled information to be obtained which may be relevant in assessing liability to tax in the latter Party.

2 Each Party shall take such measures and implement such procedures as are necessary to ensure that information described in paragraph 1 will be made available for transmission to another Party.

Article 8 – Simultaneous tax examinations

1 At the request of one of them, two or more Parties shall consult together for the purposes of determining cases and procedures for simultaneous tax examinations. Each Party involved shall decide whether or not it wishes to participate in a particular simultaneous tax examination.

2 For the purposes of this Convention, a simultaneous tax examination means an arrangement between two or more Parties to examine simultaneously, each in its own territory, the tax affairs of a person or persons in which they have a common or related interest, with a view to exchanging any relevant information which they so obtain.

Article 9 – Tax examinations abroad

1 At the request of the competent authority of the applicant State, the competent authority of the requested State may allow representatives of the competent authority of the applicant State to be present at the appropriate part of a tax examination in the requested State.

2 If the request is acceded to, the competent authority of the requested State shall, as soon as possible, notify the competent authority of the applicant State about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the requested State for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the requested State.

3 A Party may inform one of the Depositaries of its intention not to accept, as a general rule, such requests as are referred to in paragraph 1. Such a declaration may be made or withdrawn at any time.

Article 10 – Conflicting information

If a Party receives from another Party information about a person's tax affairs which appears to it to conflict with information in its possession, it shall so advise the Party which has provided the information.

Section II - Assistance in recovery

Article 11 – Recovery of tax claims

1 At the request of the applicant State, the requested State shall, subject to the provisions of Articles 14 and 15, take the necessary steps to recover tax claims of the first-mentioned State as if they were its own tax claims.

2 The provision of paragraph 1 shall apply only to tax claims which form the subject of an instrument permitting their enforcement in the applicant State and, unless otherwise agreed between the Parties concerned, which are not contested.

However, where the claim is against a person who is not a resident of the applicant State, paragraph 1 shall only apply, unless otherwise agreed between the Parties concerned, where the claim may no longer be contested.

3 The obligation to provide assistance in the recovery of tax claims concerning a deceased person or his estate, is limited to the value of the estate or of the property acquired by each beneficiary of the estate, according to whether the claim is to be recovered from the estate or from the beneficiaries thereof.

Article 12 – Measures of conservancy

At the request of the applicant State, the requested State shall, with a view to the recovery of an amount of tax, take measures of conservancy even if the claim is contested or is not yet the subject of an instrument permitting enforcement.

Article 13 – Documents accompanying the request

1 The request for administrative assistance under this section shall be accompanied by:

a a declaration that the tax claim concerns a tax covered by the Convention and, in the case of recovery that, subject to paragraph 2 of Article 11, the tax claim is not or may not be contested,

b an official copy of the instrument permitting enforcement in the applicant State, and

c any other document required for recovery or measures of conservancy.

2 The instrument permitting enforcement in the applicant State shall, where appropriate and in accordance with the provisions in force in the requested State, be accepted, recognised, supplemented or replaced as soon as possible after the date of the receipt of the request for assistance, by an instrument permitting enforcement in the latter State.

Article 14 – Time limits

1 Questions concerning any period beyond which a tax claim cannot be enforced shall be governed by the law of the applicant State. The request for assistance shall give particulars concerning that period.

2 Acts of recovery carried out by the requested State in pursuance of a request for assistance, which, according to the laws of that State, would have the effect of suspending or interrupting the period mentioned in paragraph 1, shall also have this effect under the laws of the applicant State. The requested State shall inform the applicant State about such acts.

3 In any case, the requested State is not obliged to comply with a request for assistance which is submitted after a period of 15 years from the date of the original instrument permitting enforcement.

Article 15 – Priority

The tax claim in the recovery of which assistance is provided shall not have in the requested State any priority specially accorded to the tax claims of that State even if the recovery procedure used is the one applicable to its own tax claims.

Article 16 – Deferral of payment

The requested State may allow deferral of payment or payment by instalments if its laws or administrative practice permit it to do so in similar circumstances, but shall first inform the applicant State.

Section III – Service of documents

Article 17 – Service of documents

1 At the request of the applicant State, the requested State shall serve upon the addressee documents, including those relating to judicial decisions, which emanate from the applicant State and which relate to a tax covered by this Convention.

2 The requested State shall effect service of documents:

a by a method prescribed by its domestic laws for the service of documents of a substantially similar nature;

b to the extent possible, by a particular method requested by the applicant State or the closest to such method available under its own laws.

3 A Party may effect service of documents directly through the post on a person within the territory of another Party.

4 Nothing in the Convention shall be construed as invalidating any service of documents by a Party in accordance with its laws.

5 When a document is served in accordance with this article, it need not be accompanied by a translation. However, where it is satisfied that the addressee cannot understand the language of the document, the requested State shall arrange to have it translated into or a summary drafted in its or one of its official languages. Alternatively, it may ask the applicant State to have the document either translated into or accompanied by a summary in one of the official languages of the requested State, the Council of Europe or the OECD.

Chapter IV – Provisions relating to all forms of assistance

Article 18 – Information to be provided by the applicant State

1 A request for assistance shall indicate where appropriate:

a the authority or agency which initiated the request made by the competent authority;

b the name, address, or any other particulars assisting in the identification of the person in respect of whom the request is made;

c in the case of a request for information, the form in which the applicant State wishes the information to be supplied in order to meet its needs;

d in the case of a request for assistance in recovery or measures of conservancy, the nature of the tax claim, the components of the tax claim and the assets from which the tax claim may be recovered;

e in the case of a request for service of documents, the nature and the subject of the document to be served;

f whether it is in conformity with the law and administrative practice of the applicant State and whether it is justified in the light of the requirements of Article 21.2.g.

2 As soon as any other information relevant to the request for assistance comes to its knowledge, the applicant State shall forward it to the requested State.

Article 19 – Deleted

Article 20 – Response to the request for assistance

1 If the request for assistance is complied with, the requested State shall inform the applicant State of the action taken and of the result of the assistance as soon as possible.

2 If the request is declined, the requested State shall inform the applicant State of that decision and the reason for it as soon as possible.

3 If, with respect to a request for information, the applicant State has specified the form in which it wishes the information to be supplied and the requested State is in a position to do so, the requested State shall supply it in the form requested.

Article 21 – Protection of persons and limits to the obligation to provide assistance

1 Nothing in this Convention shall affect the rights and safeguards secured to persons by the laws or administrative practice of the requested State.

2 Except in the case of Article 14, the provisions of this Convention shall not be construed so as to impose on the requested State the obligation:

a to carry out measures at variance with its own laws or administrative practice or the laws or administrative practice of the applicant State;

b to carry out measures which would be contrary to public policy (*ordre public*);

c to supply information which is not obtainable under its own laws or its administrative practice or under the laws of the applicant State or its administrative practice;

d to supply information which would disclose any trade, business, industrial, commercial or professional secret, or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*);

e to provide administrative assistance if and insofar as it considers the taxation in the applicant State to be contrary to generally accepted taxation principles or to the provisions of a convention for the avoidance of double taxation, or of any other convention which the requested State has concluded with the applicant State;

f to provide administrative assistance for the purpose of administering or enforcing a provision of the tax law of the applicant State, or any requirement connected therewith, which discriminates against a national of the requested State as compared with a national of the applicant State in the same circumstances;

g to provide administrative assistance if the applicant State has not pursued all reasonable measures available under its laws or administrative practice, except where recourse to such measures would give rise to disproportionate difficulty;

h to provide assistance in recovery in those cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the applicant State.

3 If information is requested by the applicant State in accordance with this Convention, the requested State shall use its information gathering measures to obtain the requested information, even though the requested State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations contained in this Convention, but in no case shall such limitations, including in particular those of paragraphs 1 and 2, be construed to permit a

requested State to decline to supply information solely because it has no domestic interest in such information.

4 In no case shall the provisions of this Convention, including in particular those of paragraphs 1 and 2, be construed to permit a requested State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

Article 22 – Secrecy

1 Any information obtained by a Party under this Convention shall be treated as secret and protected in the same manner as information obtained under the domestic law of that Party and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Party as required under its domestic law.

2 Such information shall in any case be disclosed only to persons or authorities (including courts and administrative or supervisory bodies) concerned with the assessment, collection or recovery of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, taxes of that Party, or the oversight of the above. Only the persons or authorities mentioned above may use the information and then only for such purposes. They may, notwithstanding the provisions of paragraph 1, disclose it in public court proceedings or in judicial decisions relating to such taxes.

3 If a Party has made a reservation provided for in sub-paragraph a. of paragraph 1 of Article 30, any other Party obtaining information from that Party shall not use it for the purpose of a tax in a category subject to the reservation. Similarly, the Party making such a reservation shall not use information obtained under this Convention for the purpose of a tax in a category subject to the reservation.

4 Notwithstanding the provisions of paragraphs 1, 2 and 3, information received by a Party may be used for other purposes when such information may be used for such other purposes under the laws of the supplying Party and the competent authority of that Party authorises such use. Information provided by a Party to another Party may be transmitted by the latter to a third Party, subject to prior authorisation by the competent authority of the first-mentioned Party.

Article 23 – Proceedings

1 Proceedings relating to measures taken under this Convention by the requested State shall be brought only before the appropriate body of that State.

2 Proceedings relating to measures taken under this Convention by the applicant State, in particular those which, in the field of recovery, concern the existence or the amount of the tax claim or the instrument permitting its enforcement, shall be brought only before the appropriate body of that State. If such proceedings are brought, the applicant State shall inform the requested State which shall suspend the procedure pending the decision of the body in question. However, the requested State shall, if asked by the applicant State, take measures of conservancy to safeguard recovery. The requested State can also be informed of such proceedings by any interested person. Upon receipt of such information the requested State shall consult on the matter, if necessary, with the applicant State.

3 As soon as a final decision in the proceedings has been given, the requested State or the applicant State, as the case may be, shall notify the other State of the decision and the implications which it has for the request for assistance.

Chapter V – Special provisions

Article 24 – Implementation of the Convention

1 The Parties shall communicate with each other for the implementation of this Convention through their respective competent authorities. The competent authorities may communicate directly for this purpose and may authorise subordinate authorities to act on their behalf. The competent authorities of two or more Parties may mutually agree on the mode of application of the Convention among themselves.

2 Where the requested State considers that the application of this Convention in a particular case would have serious and undesirable consequences, the competent authorities of the requested and of the applicant State shall consult each other and endeavour to resolve the situation by mutual agreement.

3 A co-ordinating body composed of representatives of the competent authorities of the Parties shall monitor the implementation and development of this Convention, under the aegis of the OECD. To that end, the co-ordinating body shall recommend any action likely to further the general aims of the Convention. In particular it shall act as a forum for the study of new methods and procedures to increase international co-operation in tax matters and, where appropriate, it may recommend revisions or amendments to the Convention. States which have signed but not yet ratified, accepted or approved the Convention are entitled to be represented at the meetings of the co-ordinating body as observers.

4 A Party may ask the co-ordinating body to furnish opinions on the interpretation of the provisions of the Convention.

5 Where difficulties or doubts arise between two or more Parties regarding the implementation or interpretation of the Convention, the competent authorities of those Parties shall endeavour to resolve the matter by mutual agreement. The agreement shall be communicated to the co-ordinating body.

6 The Secretary General of OECD shall inform the Parties, and the Signatory States which have not yet ratified, accepted or approved the Convention, of opinions furnished by the co-ordinating body according to the provisions of

paragraph 4 above and of mutual agreements reached under paragraph 5 above.

Article 25 – Language

Requests for assistance and answers thereto shall be drawn up in one of the official languages of the OECD and of the Council of Europe or in any other language agreed bilaterally between the Contracting States concerned.

Article 26 – Costs

Unless otherwise agreed bilaterally by the Parties concerned:

a ordinary costs incurred in providing assistance shall be borne by the requested State;

b extraordinary costs incurred in providing assistance shall be borne by the applicant State.

Chapter VI – Final provisions

Article 27 – Other international agreements or arrangements

1 The possibilities of assistance provided by this Convention do not limit, nor are they limited by, those contained in existing or future international agreements or other arrangements between the Parties concerned or other instruments which relate to co-operation in tax matters.

2 Notwithstanding paragraph 1, those Parties which are member States of the European Union can apply, in their mutual relations, the possibilities of assistance provided for by the Convention in so far as they allow a wider co-

operation than the possibilities offered by the applicable European Union rules.

Article 28 – Signature and entry into force of the Convention

1 This Convention shall be open for signature by the member States of the Council of Europe and the member countries of OECD. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with one of the Depositaries.

2 This Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date on which five States have expressed their consent to be bound by the Convention in accordance with the provisions of paragraph 1.

3 In respect of any member State of the Council of Europe or any member country of OECD which subsequently expresses its consent to be bound by it, the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of the deposit of the instrument of ratification, acceptance or approval.

4 Any member State of the Council of Europe or any member country of OECD which becomes a Party to the Convention after the entry into force of the Protocol amending this Convention, opened for signature on 27th May 2010 (the "2010 Protocol"), shall be a Party to the Convention as amended by that Protocol, unless they express a different intention in a written communication to one of the Depositaries.

5 After the entry into force of the 2010 Protocol, any State which is not a member of the Council of Europe or of the OECD may request to be invited to sign and ratify this Convention as amended by the 2010 Protocol. Any request to this effect shall be addressed to one of the Depositaries, who shall transmit it to the Parties. The Depositary shall also inform the Committee of Ministers of the Council of Europe and the OECD Council. The decision to invite States which so request to become Party to this Convention shall be taken by consensus by the Parties to the Convention

through the co-ordinating body. In respect of any State ratifying the Convention as amended by the 2010 Protocol in accordance with this paragraph, this Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of deposit of the instrument of ratification with one of the Depositaries.

6 The provisions of this Convention, as amended by the 2010 Protocol, shall have effect for administrative assistance related to taxable periods beginning on or after 1 January of the year following the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party, or where there is no taxable period, for administrative assistance related to charges to tax arising on or after 1 January of the year following the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party. Any two or more Parties may mutually agree that the Convention, as amended by the 2010 Protocol, shall have effect for administrative assistance related to earlier taxable periods or charges to tax.

7 Notwithstanding paragraph 6, for tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party, the provisions of this Convention, as amended by the 2010 Protocol, shall have effect from the date of entry into force in respect of a Party in relation to earlier taxable periods or charges to tax.

Article 29 – Territorial application of the Convention

1 Each State may, at the time of signature, or when depositing its instrument of ratification, acceptance or approval, specify the territory or territories to which this Convention shall apply.

2 Any State may, at any later date, by a declaration addressed to one of the Depositaries, extend the application of this Convention to any other territory specified in the declaration. In respect of such territory the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Depositary.

3 Any declaration made under either of the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a

notification addressed to one of the Depositaries. The withdrawal shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary.

Article 30 – Reservations

1 Any State may, at the time of signature or when depositing its instrument of ratification, acceptance or approval or at any later date, declare that it reserves the right:

a not to provide any form of assistance in relation to the taxes of other Parties in any of the categories listed in sub-paragraph b. of paragraph 1 of Article 2, provided that it has not included any domestic tax in that category under Annex A of the Convention;

b not to provide assistance in the recovery of any tax claim, or in the recovery of an administrative fine, for all taxes or only for taxes in one or more of the categories listed in paragraph 1 of Article 2;

c not to provide assistance in respect of any tax claim, which is in existence at the date of entry into force of the Convention in respect of that State or, where a reservation has previously been made under sub-paragraph a. or b. above, at the date of withdrawal of such a reservation in relation to taxes in the category in question;

d not to provide assistance in the service of documents for all taxes or only for taxes in one or more of the categories listed in paragraph 1 of Article 2;

e not to permit the service of documents through the post as provided for in paragraph 3 of Article 17;

f to apply paragraph 7 of Article 28 exclusively for administrative assistance related to taxable periods beginning on or after 1 January of the third year preceding the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party, or where there is no taxable period, for administrative assistance related to charges to tax arising on or after 1 January of the third year preceding the one in which the Convention, as amended by the 2010 Protocol, entered into force in respect of a Party.

2 No other reservation may be made.

3 After the entry into force of the Convention in respect of a Party, that Party may make one or more of the reservations listed in paragraph 1 which it did not make at the time of ratification, acceptance or approval. Such reservations shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of the reservation by one of the Depositaries.

4 Any Party which has made a reservation under paragraphs 1 and 3 may wholly or partly withdraw it by means of a notification addressed to one of the Depositaries. The withdrawal shall take effect on the date of receipt of such notification by the Depositary in question.

5 A Party which has made a reservation in respect of a provision of this Convention may not require the application of that provision by any other Party; it may, however, if its reservation is partial, require the application of that provision insofar as it has itself accepted it.

Article 31 – Denunciation

1 Any Party may, at any time, denounce this Convention by means of a notification addressed to one of the Depositaries.

2 Such denunciation shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of the notification by the Depositary.

3 Any Party which denounces the Convention shall remain bound by the provisions of Article 22 for as long as it retains in its possession any documents or information obtained under the Convention.

Article 32 – Depositaries and their functions

1 The Depositary with whom an act, notification or communication has been accomplished, shall notify the member States of the Council of Europe and the member countries of OECD and any Party to this Convention of:

a any signature;

b the deposit of any instrument of ratification, acceptance or approval;

c any date of entry into force of this Convention in accordance with the provisions of Articles 28 and 29;

d any declaration made in pursuance of the provisions of paragraph 3 of Article 4 or paragraph 3 of Article 9 and the withdrawal of any such declaration;

e any reservation made in pursuance of the provisions of Article 30 and the withdrawal of any reservation effected in pursuance of the provisions of paragraph 4 of Article 30;

f any notification received in pursuance of the provisions of paragraph 3 or 4 of Article 2, paragraph 3 of Article 3, Article 29 or paragraph 1 of Article 31;

g any other act, notification or communication relating to this Convention.

2 The Depositary receiving a communication or making a notification in pursuance of the provisions of paragraph 1 shall inform immediately the other Depositary thereof.

In witness whereof the undersigned, being duly authorised thereto, have signed the Convention.

Established by the Depositaries the 1st day of June 2011 pursuant to Article X.4 of the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters, in English and French, both texts being equally authentic, in two copies of which one shall be deposited in the archives of each Depositary. The Depositaries shall transmit a certified copy to each Party to the Convention as amended by the Protocol and to each State entitled to become a party.

Annex 2- MCAA

DECLARATION

I, H.E. Mrs. S. Seeneevassen-Frers, Ambassador, on behalf of the Competent Authority of the Republic of Mauritius, declare that it hereby agrees to comply with the provisions of the

Multilateral Competent Authority Agreement on
Automatic Exchange of Financial Account Information

hereafter referred to as the "Agreement" and attached to this Declaration.

By means of the present Declaration, the Competent Authority of the Republic of Mauritius is to be considered a signatory of the Agreement as from 29 October 2014. The Agreement will come into effect in respect of the Competent Authority of the Republic of Mauritius in accordance with Section 7 thereof.

The Annex F notification referred to in Section 3(3) of the Agreement is deposited herewith.

Signed in Berlin on 29 October 2014

H.E. Mrs. S. Seeneevassen-Frers
Ambassador

DIRECTION JURIDIQUE DE L'O.C.D.E.

CERTIFIED COPY

MULTILATERAL COMPETENT AUTHORITY AGREEMENT ON AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

Whereas, the jurisdictions of the signatories to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the "Agreement") are Parties of, or territories covered by, the Convention on Mutual Administrative Assistance in Tax Matters or the Convention on Mutual Administrative Assistance in Tax Matters as amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters (the "Convention") or have signed or expressed their intention to sign the Convention and acknowledge that the Convention must be in force and in effect in relation to them before the first exchange of financial account information takes place;

Whereas, the jurisdictions intend to improve international tax compliance by further building on their relationship with respect to mutual assistance in tax matters;

Whereas, the Common Reporting Standard was developed by the OECD, with G20 countries, to tackle tax avoidance and evasion and improve tax compliance;

Whereas, a country that has signed or expressed its intention to sign the Convention will only become a Jurisdiction as defined in Section 1 of this Agreement once it has become a Party to the Convention;

Whereas, the laws of the respective Jurisdictions require or are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Agreement and the reporting and due diligence procedures set out in the Common Reporting Standard;

Whereas, it is expected that the laws of the Jurisdictions would be amended from time to time to reflect updates to the Common Reporting Standard and once such changes are enacted by a Jurisdiction the definition of Common Reporting Standard would be deemed to refer to the updated version in respect of that Jurisdiction;

Whereas, Chapter III of the Convention authorises the exchange of information for tax purposes, including the exchange of information on an automatic basis, and allows the competent authorities of the Jurisdictions to agree the scope and modalities of such automatic exchanges;

Whereas, Article 6 of the Convention provides that two or more Parties can mutually agree to exchange information automatically, the exchange of the information will be on a bilateral basis between the Competent Authorities;

Whereas, the Jurisdictions have, or are expected to have, in place by the time the first exchange takes place (i) appropriate safeguards to ensure that the information received pursuant to this Agreement remains confidential and is used solely for the purposes set out in the Convention, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Agreement);

Whereas, the Competent Authorities of the jurisdictions intend to conclude an agreement to improve international tax compliance based on automatic exchange pursuant to the Convention, without prejudice to national legislative procedures (if any), respecting EU law (if applicable), and subject to the confidentiality and other protections provided for in the Convention, including the provisions limiting the use of the information exchanged thereunder;

Now, therefore, the Competent Authorities have agreed as follows:

SECTION 1

Definitions

1. For the purposes of this Agreement, the following terms have the following meanings:

a) the term **"Jurisdiction"** means a country or a territory in respect of which the Convention is in force and is in effect, either through signature and ratification in accordance with Article 28, or through territorial extension in accordance with Article 29, and which is a signatory to this Agreement;

b) the term **"Competent Authority"** means, for each respective Jurisdiction, the persons and authorities listed in Annex B of the Convention;

c) the term **"Jurisdiction Financial Institution"** means, for each respective Jurisdiction,

(i) any Financial Institution that is resident in the Jurisdiction, but excludes any branch of that Financial Institution that is located outside the Jurisdiction, and (ii) any branch of a Financial Institution that is not resident in the Jurisdiction, if that branch is located in the Jurisdiction;

d) the term **"Reporting Financial Institution"** means any Jurisdiction Financial Institution that is not a Non-Reporting Financial Institution;

e) the term **"Reportable Account"** means a Financial Account that is maintained by a Reporting Financial Institution and that, pursuant to due diligence procedures consistent with the Common Reporting Standard, has been identified as an account that is held by one or more persons that are Reportable Persons with respect to another Jurisdiction or by a Passive Non-Financial Entity with one or more Controlling Persons that are Reportable Persons with respect to another Jurisdiction,

f) the term **"Common Reporting Standard"** means the standard for automatic exchange of financial account information in tax matters (which includes the Commentaries), developed by the OECD, with G20 countries;

g) the term **"Co-ordinating Body Secretariat"** means the OECD Secretariat that, pursuant to paragraph 3 of Article 24 of the Convention, provides support to the co-ordinating body that is composed of representatives of the competent authorities of the Parties to the Convention;

h) the term "**Agreement in effect**" means, in respect of any two Competent Authorities, that both Competent Authorities have indicated their intention to automatically exchange information with each other and have satisfied the other conditions set out in subparagraph 2.1. of Section 7. The Competent Authorities for which this Agreement is in effect are listed in Annex E.

2. Any capitalised term not otherwise defined in this Agreement will have the meaning that it has at that time under the law of the Jurisdiction applying the Agreement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Agreement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Jurisdiction applying this Agreement, any meaning under the applicable tax laws of that Jurisdiction prevailing over a meaning given to the term under other laws of that Jurisdiction.

SECTION 2

Exchange of Information with Respect to Reportable Accounts

1.1. Pursuant to the provisions of Articles 6 and 22 of the Convention and subject to the applicable reporting and due diligence rules consistent with the Common Reporting Standard, each Competent Authority will annually exchange with the other Competent Authorities, with respect to which it has this Agreement in effect, on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.

1.2. Notwithstanding the previous paragraph, the Competent Authorities of the Jurisdictions listed in Annex A will send, but not receive, the information specified in paragraph 2. Competent Authorities of Jurisdictions not listed in Annex A will always receive the information specified in paragraph 2. Competent Authorities will not send such information to Competent Authorities of the Jurisdictions listed in Annex A.

2. The information to be exchanged is, with respect to each Reportable Account of another Jurisdiction:

a) the name, address, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date and place of birth of each Reportable Person;

b) the account number (or functional equivalent in the absence of an account number);

c) the name and identifying number (if any) of the Reporting Financial Institution;

d) the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

e) in the case of any Custodial Account:

   (1) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and

   (2) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and

g) in the case of any account not described in subparagraph 2(e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

SECTION 3

Time and Manner of Exchange of Information

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the Jurisdiction exchanging the information.

2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.

3. With respect to paragraph 2 of Section 2, and subject to the notification procedure set out in Section 7, including the dates specified therein, information is to be exchanged commencing from the years specified in Annex F within nine months after the end of the calendar year to which the information relates. Notwithstanding the foregoing sentence, information is only required to be exchanged with respect to a calendar year if both Competent Authorities have this Agreement in effect and their respective Jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange provided for in Section 2 and the reporting and due diligence procedures contained in the Common Reporting Standard.

4. The Competent Authorities will automatically exchange the information described in Section 2 in the common reporting standard schema in Extensible Markup Language.

5. The Competent Authorities will work towards and agree on one or more methods for data transmission including encryption standards with a view to maximising standardisation and minimising complexities and costs and will specify those in Annex B.

SECTION 4

Collaboration on Compliance and Enforcement

A Competent Authority will notify the other Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common Reporting Standard. The notified Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

SECTION 5

Confidentiality and Data Safeguards

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Convention, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Competent Authority as required under its domestic law and listed in Annex C.

2. A Competent Authority will notify the Co-ordinating Body Secretariat immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed. The Co-ordinating Body Secretariat will notify all Competent Authorities with respect to which this is an Agreement in effect with the first mentioned Competent Authority.

SECTION 6

Consultations and Amendments

1. If any difficulties in the implementation or interpretation of this Agreement arise, a Competent Authority may request consultations with one or more of the Competent Authorities to develop appropriate measures to ensure that this Agreement is fulfilled. The Competent Authority that requested the consultations shall ensure, as appropriate, that the Co-ordinating Body Secretariat is notified of any measures that were developed and the Co-ordinating Body Secretariat will notify all Competent Authorities, even those that did not participate in the consultations, of any measures that were developed.

2. This Agreement may be amended by consensus by written agreement of all of the Competent Authorities that have the Agreement in effect. Unless otherwise agreed upon, such an amendment is effective on the first day of the month following the expiration of a period of one month after the date of the last signature of such written agreement.

4. [

SECTION 7

Term of Agreement

1. A Competent Authority must provide, at the time of signature of this Agreement or as soon as possible after its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard, a notification to the Co-ordinating Body Secretariat:

a) that its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard and specifying the relevant effective dates with respect to Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures;

b) confirming whether the Jurisdiction is to be listed in Annex A;

c) specifying one or more methods for data transmission including encryption (Annex B);

d) specifying safeguards, if any, for the protection of personal data (Annex C);

e) that it has in place adequate measures to ensure the required confidentiality and data safeguards standards are met and attaching the completed confidentiality and data safeguard questionnaire, to be included in Annex D; and

f) a list of the Jurisdictions of the Competent Authorities with respect to which it intends to have this Agreement in effect, following national legislative procedures (if any).

Competent Authorities must notify the Co-ordinating Body Secretariat, promptly, of any subsequent change to be made to the above-mentioned Annexes.

2.1. This Agreement will come into effect between two Competent Authorities on the later of the following dates: (i) the date on which the second of the two Competent Authorities has provided notification to the Co-ordinating Body Secretariat under paragraph 1, including listing the other Competent Authority's Jurisdiction pursuant to subparagraph 1(f), and, if applicable, (ii) the date on which the Convention has entered into force and is in effect for both Jurisdictions.

2.2. The Co-ordinating Body Secretariat will maintain a list that will be published on the OECD website of the Competent Authorities that have signed the Agreement and between which Competent Authorities this is an Agreement in effect (Annex E).

2.3. The Co-ordinating Body Secretariat will publish on the OECD website the information provided by Competent Authorities pursuant to subparagraphs 1(a) and (b). The information provided pursuant to subparagraphs 1(c) through (f) will be made available to other signatories

upon request in writing to the Co-ordinating Body Secretariat.

3. A Competent Authority may suspend the exchange of information under this Agreement by giving notice in writing to another Competent Authority that it has determined that there is or has been significant non-compliance by the second-mentioned Competent Authority with this Agreement. Such suspension will have immediate effect. For the purposes of this paragraph, significant non-compliance includes, but is not limited to, non-compliance with the confidentiality and data safeguard provisions of this Agreement and the Convention, a failure by the Competent Authority to provide timely or adequate information as required under this Agreement or defining the status of Entities or accounts as Non-Reporting Financial Institutions and Excluded Accounts in a manner that frustrates the purposes of the Common Reporting Standard.

4. A Competent Authority may terminate its participation in this Agreement, or with respect to a particular Competent Authority, by giving notice of termination in writing to the Co-ordinating Body Secretariat. Such termination will become effective on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination. In the event of termination, all information previously received under this Agreement will remain confidential and subject to the terms of the Convention.

SECTION 8

Co-ordinating Body Secretariat

1. Unless otherwise provided for in the Agreement, the Co-ordinating Body Secretariat will notify all Competent Authorities of any notifications that it has received under this Agreement and will provide a notice to all signatories of the Agreement when a new Competent Authority signs the Agreement.

2. All signatories to the Agreement will share equally, on an annual basis, the costs for the administration of the Agreement by the Co-ordinating Body Secretariat. Notwithstanding the previous sentence, qualifying countries will be exempt from sharing the costs in accordance with Article X of the Rules of Procedure of the Co-ordinating Body of the Convention.

Done in English and French, both texts being equally authentic.

ANNEX A:

LIST OF NON-RECIPROCAL JURISDICTIONS

[To be completed]

ANNEXE A :

LISTE DES JURIDICTIONS POUR LESQUELLES IL N'Y A PAS DE RÉCIPROCITÉ

[A compléter]

ANNEX B:

TRANSMISSION METHODS

[To be completed]

ANNEXE B:

MÉTHODES DE TRANSMISSION

[A compléter]

ANNEX C:

SPECIFIED DATA SAFEGUARDS

[To be completed]

ANNEXE C:

PRÉCISIONS CONCERNANT LA PROTECTION DES DONNÉES PERSONNELLES

[A compléter]

ANNEX D:

CONFIDENTIALITY QUESTIONNAIRE

[To be completed]

ANNEXE D:

QUESTIONNAIRE SUR LA CONFIDENTIALITÉ

[A compléter]

ANNEX E:

COMPETENT AUTHORITIES FOR WHICH THIS IS AN AGREEMENT IN EFFECT

[To be completed]

ANNEXE E :

AUTORITÉS COMPÉTENTES POUR LESQUELLES L'ACCORD A PRIS EFFET

[A compléter]

ANNEX F:

INTENDED EXCHANGE DATES

<table>
<tr><th>Accounts</th><th>Intended to be defined as</th><th colspan="3">Intended dates to exchange information by</th></tr>
<tr><td>New Accounts</td><td>A Financial Account maintained by a Reporting Financial Institution opened on or after 1 January 2017.</td><td colspan="3">September 2018</td></tr>
<tr><td></td><td></td><td>Individual High-Value Accounts</td><td>Individual Low-Value Accounts</td><td>Entity Accounts</td></tr>
<tr><td>Preexisting Accounts</td><td>A Financial Account maintained by a Reporting Financial Institution as of 31 December
.</td><td>September 2018</td><td>September 2018 or September 2019, depending on when

identified as reportable</td><td>September 2018 or September 2019, depending on when identified

as reportable</td></tr>
</table>

ANNEXE F:

DATES PRÉVUES POUR L'ÉCHANGE DE RENSEIGNEMENTS

<table>
<tr><th>Comptes</th><th>Définition prévue</th><th colspan="3">Dates d'échange de renseignements prévues pour</th></tr>
<tr><td>Nouveaux comptes</td><td>Un Compte financier ouvert à partir du 1er janvier 2017 auprès d'une Institution financière déclarante.</td><td colspan="3">septembre 2018</td></tr>
<tr><td></td><td></td><td>Comptes de personnes physiques de valeur élevée</td><td>Comptes de personnes physiques de faible valeur</td><td>Comptes d'entités</td></tr>
<tr><td>Comptes Préexistants</td><td>Un Compte financier géré par une Institution financière déclarante au 31 décembre 2015.</td><td>septembre 2018</td><td>septembre 2018 ou septembre 2019, en fonction de la date à laquelle le compte sera identifié comme un Compte déclarable</td><td>septembre 2018 ou septembre 2019, en fonction de la date à laquelle le compte sera identifié comme un Compte déclarable</td></tr>
</table>

Annex 3 – List of Non-Reporting Financial Institutions

The following entities are treated as Non-Reporting Financial Institutions for CRS purposes:

A. **Governmental Entity**

The government of Mauritius, any political subdivision of Mauritius (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of Mauritius or any one or more of the foregoing (each, a "Mauritius Governmental Entity"). This category is comprised of the integral parts, controlled entities, and political subdivisions of Mauritius.

(i) An integral part of Mauritius means any person, organization, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of Mauritius. The net earnings of the governing authority must be credited to its own account or to other accounts of Mauritius, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

(ii) A controlled entity means an Entity that is separate in form from Mauritius or that otherwise constitutes a separate juridical entity, provided that:

(i) The Entity is wholly owned and controlled by one or more Mauritius Governmental Entities directly or through one or more controlled entities;

(ii) The Entity's net earnings are credited to its own account or to the accounts of one or more Mauritius Governmental Entities, with no portion of its income inuring to the benefit of any private person; and

(iii) The Entity's assets vest in one or more Mauritius Governmental Entities upon dissolution.

(iii) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental program, and the program activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

B. **International Organization**

Any international organization or wholly owned agency or instrumentality thereof will be treated as a Non-Reporting Financial Institution. This category will include any intergovernmental organization (including a supranational organization) –

(i) that is comprised primarily of governments;

(ii) that has in effect a headquarters agreement or substantially similar agreement with Mauritius; and

(iii) the income of which does not inure to the benefit of private persons.

C. **Central Bank**

An institution that is by law or government sanction the principal authority, other than the government of Mauritius itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of Mauritius, whether or not owned in whole or in part by Mauritius.

D. **Qualified Credit Card Issuer.**

A qualified credit card issuer is an entity that satisfies the following requirements:

(i) the Financial Institution is an FI solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; and

(ii) beginning on or before 1 January 2017, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50 000, or to ensure that any customer overpayment in excess of USD 50 000 is refunded to the customer within 60 days, in each case applying the rules set forth for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

E. **Low-risk Non-Reporting Financial Institutions**

A Financial Institution can also be a Non-Reporting Financial Institution, provided that:

(i) the Financial Institution presents a low risk of being used to evade tax; the low risk factors being:
    (a) the Financial Institution is subject to regulation.
    (b) information reporting by the Financial Institution to the tax authorities is required.

(ii) the Financial Institution has substantially similar characteristics to any of the entities described in subparagraph B(1)(a) and (b) of the Standard;

(iii) the Financial Institution is defined in domestic law as a Non-Reporting Financial Institution;

(iv) the status of the Financial Institution as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard.

F. **Exempt Collective Investment Vehicle**

An Exempt Collective Investment Vehicle is an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons.

G. **Trustee-Documented Trust**

A trust resident in Mauritius that is a Financial Institution is a Non-Reporting FI to the extent that the trustee of the trust is a Reporting Mauritius Financial Institution and reports all information required to be reported pursuant to the Standard with respect to all Reportable Accounts of the trust.

H. **<u>Broad Participation Retirement Fund</u>.**

The term 'Broad Participation Retirement Fund' means a fund established in Mauritius to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund:

(i) does not have a single beneficiary with a right to more than five percent of the fund's assets;

(ii) is subject to regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in Mauritius; and

(iii) satisfies at least one of the following requirements:

(a) the fund is generally exempt from tax in Mauritius on investment income under the laws of Mauritius due to its status as a retirement or pension plan;

(b) the fund receives at least 50 percent of its total contributions (other than transfers of assets from other plans described in sub-paragraphs B(5) through (7) or from retirement and pension accounts described in subparagraph C(17)(a) of the Standard) from the sponsoring employers;

(c) distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described in subparagraphs B(5) through (7) or retirement and pension accounts described in subparagraph C(17)(a) of the Standard), or penalties apply to distributions or withdrawals made before such specified events; or

(d) contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed $50,000 annually, applying the rules set forth in paragraph C of Section VII of the Standard for account aggregation and currency translation.

I. **Narrow Participation Retirement Fund.**

The term 'Narrow Participation Retirement Fund' means a fund established in Mauritius to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that:

(i) the fund has fewer than 50 participants;

(ii) the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs;

(iii) the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph C(17)(a) of the Standard) are limited by reference to earned income and compensation of the employee, respectively;

(iv) participants that are not residents of Mauritius are not entitled to more than 20 percent of the fund's assets; and

(v) the fund is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in Mauritius.

J. **Pension Fund of Non-Reporting Financial Institutions**

A pension fund of Non-Reporting Financial Institutions is a fund established in Mauritius by a Government Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Government Entity, International Organisation or Central Bank.

Annex 4 - Options

Reporting Requirements (Section I of the CRS)	Cross Reference to the Guidance Notes
1. Alternative Approach to calculating account balances. The options available under the CRS to report in respect of an account are : A. the account balance or value as at the end of the calendar year; or B. the average balance or value of the account. **Mauritius has availed of Option A.** FIs are required to report the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the cash value or surrender value) as at the end of the calendar year. If the account was closed during such period, FIs should report closure of the account.	Paragraph 6.7
2. Use of other reporting period. The options available under the CRS are to report information based on: A. the calendar year; or B. any other reporting period **Mauritius has availed of Option A.**	Paragraph 6.7
3. Filing of nil returns. The options available under the CRS where reporting FIs do not maintain any Reportable Accounts during the calendar year are to:	Paragraph 13.3

A. file nil returns; or B. not to file nil returns **Mauritius has availed of Option B.**	
Due Diligence (Section II-VII of the CRS)	
4. Allowing third party service providers to fulfil the obligations on behalf of FIs: The options available under the CRS are: A. to allow Reporting FIs to use third party service providers to fulfil their reporting and due diligence obligations; or B. not to allow Reporting FIs to use third party service providers to fulfil their reporting and due diligence obligations. **Mauritius has availed of Option A.**	Paragraph 7.5
5. Allowing the due diligence procedures for the New Accounts to be used for Pre-existing Accounts: The options available under the CRS are: A. to allow FIs to apply the due diligence procedures for New Accounts to Pre-existing Accounts; or B. not to allow FIs to apply the due diligence procedures for New Accounts to Pre-existing Accounts **Mauritius has availed of Option A.** Thus, an FI may elect to obtain a self-certification for all Pre-existing accounts held by individuals consistent with the due diligence procedures for New Individual Accounts. Mauritius also allows a Reporting FI to make an election to apply such exclusion with respect to	Paragraph 7.6

(1) all Pre-existing Accounts; or (2) with respect to any clearly identified group of such accounts (such as by line of business or location where the account is maintained).	
6. Allowing the due diligence procedures for High Value Accounts to be used for Lower Value Accounts The options available under the CRS are: A. to allow FIs to apply the due diligence procedures for High Value Accounts to Lower Value Accounts; or B. not to allow FIs to apply the due diligence procedures for High Value Accounts to Lower Value Accounts. **Mauritius has availed of Option A.** An FI may wish to make such election because otherwise they must apply the due diligence procedures for Lower Value Accounts and then at the end of a subsequent calendar year when the account balance or value exceeds $1 million, apply the due diligence procedures for High Value Accounts.	Paragraph 7.6
7. Residence address test for Lower Value Accounts The options available under the CRS to determine an individual Account Holder's residence are : A. to allow FIs to use the residence address test instead of the electronic indicia search; or B. not to allow FIs to use the residence address test. **Mauritius has availed of Option A.** Mauritius allows FIs to determine an Account Holder's residence	Paragraph 8.2

based on the residence address provided by the account holder so long as the address is current and based on Documentary Evidence. The residence address test may apply to Pre-existing Lower Value Accounts (less than $1 million) held by Individual Account Holders. This test is an alternative to the electronic indicia search for establishing residence and if the residence address test cannot be applied, because, for example, the only address on file is an "in-care-of" address, the FI must perform the electronic indicia search.	
8. Optional Exclusion from Due Diligence for Pre-existing entity accounts of less than USD 250,000 The options available under the CRS are: A. to allow FIs to exclude pre-existing entity accounts with an account balance or value of USD 250,000 or less as at end of calendar year from its due diligence procedures; or B. apply due diligence to all pre-existing accounts. **Mauritius has availed of Option A.** If, at the end of a subsequent calendar year, the aggregate account balance or value exceeds $250,000, the Financial Institution must apply the due diligence procedures to identify whether the account is a Reportable Account.	Paragraph 10.2
9.Alternative documentation procedure for certain employer-sponsored group insurance contracts or annuity contracts The options available under the CRS are to allow FIs to treat the above-mentioned contracts as:	Paragraph 12.3

A. Financial Accounts that is not a Reportable Account until the date on which an amount is payable to an employee/certificate holder or beneficiary provided that the following conditions are met: (i) the group cash value insurance contract or group annuity contract is issued to an employer and covers twenty-five or more employees/certificate holders; (ii) the employees/certificate holders are entitled to receive any contract value related to their interest and to name beneficiaries for the benefit payable upon the employee's death; and (iii) the aggregate amount payable to any employee/certificate holder or beneficiary does not exceed USD 1 million; or B. Financial Accounts that are Reportable Accounts at inception of the contract. **Mauritius has availed of option A.**	
10. Allowing FIs to make greater use of existing standardised industry coding systems for the due diligence process. This option is not applicable to Mauritius.	**N/A in Mauritius**
11. Currency translation to determine threshold. The options available under the CRS to determine whether the threshold for reporting has been met are, either: A. All amounts have to be translated in US dollars; or B. The use of equivalent amounts in other currencies as provided by domestic law **Mauritius has availed of Option A.**	Paragraph 12.4.3

This allows a multinational FI to apply the amounts in the same currency in all jurisdictions in which they operate.	
Definitions (Section VIII of the CRS)	
12. Expanded definition of Pre-existing Account. The options available under the CRS are: **A.** to allow an FI to modify the definition of Pre-existing Account to treat certain new accounts held by pre-existing customers as a Pre-existing Account for due diligence purposes; or **B.** Not to allow an FI to modify the definition of pre-existing account. **Mauritius has availed of Option A.** A customer is treated as pre-existing if it holds a Financial Account with the Financial Institution or a Related Entity within the same jurisdiction as the Financial Institution. Thus if a pre-existing customer opens a new account, the FI may rely on the due diligence procedures it (or its Related Entity) applied to the customer's pre-existing account to determine whether the account is a reportable account. The requirement for applying this rule is that the FI is permitted to satisfy its AML/KYC procedures for such account by relying on the AML/KYC performed for the pre-existing account and the opening of the account does not require new, additional or amended customer information.	Paragraph 11.1
13. Expanded Definition of Related Entity. Related entities are generally defined as one entity that controls another entity or two or more entities that are under common control. Control is defined to include direct or indirect ownership of more than 50 per cent of the vote and value in an entity. As provided in the Commentary, most funds will likely not qualify as	Paragraph 4.7

a Related Entity of another fund, and thus will not be able to apply the rules described above for treating certain New Accounts as Pre-existing Accounts or apply the account aggregation rules to Financial Accounts maintained by Related Entities. The options available under the CRS are: **A.** to apply the general definition of related entities; or **B.** to apply the expanded definition of related entities which provides that control includes, with respect to Investment Entities described in subparagraph (A)(6)(b) of Section VIII of the CRS, two entities under common management, and such management fulfils the due diligence obligations of such Investment Entities. A similar approach is achieved under FATCA by applying the Sponsoring Regime. **Mauritius has availed of Option B.**	
14. Grandfathering rule for bearer shares issued by Exempt Collective Investment Vehicle In Mauritius, the issue of bearer shares is not allowed. This option is not applicable to Mauritius.	N/A for Mauritius
15. Controlling Persons of a trust With respect to trusts that are Passive NFEs, the options available under the CRS are: A. to allow Reporting FIs to align the scope of the beneficiary(ies) of a trust treated as Controlling Person(s) of the trust with the scope of the beneficiary(ies) of a trust treated as Reportable Persons of a trust that is a Financial Institution. In such case the Reporting Financial Institutions would only need to report discretionary beneficiaries in the year they receive a distribution from	

the trust. B. not to allow Reporting FIs to align the scope of the beneficiary(ies) of a trust treated as Controlling Person(s) of the trust with the scope of the beneficiary(ies) of a trust treated as Reportable Persons of a trust that is a Financial Institution. **Mauritius has availed of Option A.** To allow option A, Mauritius must ensure that such FIs have appropriate safeguards and procedures in place to identify whether a distribution is made by their trust Account Holders in a given year.	

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