



G3 Securities - Back Office, Procedure of CRS

Synopsis: This document describes the procedure of Common Reporting Standard (CRS)

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1 GLOSSARY

Abbreviation	Description

2 REFERENCES

3 DOCUMENT HISTORY

Date	Version	Author	Description
24-Jan-2019	1.0	Tammy Kong	First issue
31-May-2019	1.1	Tammy Kong	2 nd issue
10-Mar-2020	1.2	Tammy Kong	3 rd Issue

4 INTRODUCTION

The Common Reporting Standard (CRS) is an information standard for the Automatic Exchange Of Information (AEOI) regarding bank accounts on a global level, between tax authorities, which the Organisation for Economic Co-operation and Development (OECD) developed in 2014.

Financial institutions have to report to the Inland Revenue Department (IRD) the financial account information of clients belongs to reportable jurisdictions (申報稅務管轄區). The financial information required to report to IRD includes the tax's resident's account balance, dividend, interest and all sold trades.

This document describes the setting of CRS in G3SB and the procedures of submission to IRD.

5 GETTING START

5.1 AEOI ID SETTING

Menu: Master > Company

Step 1 At **Others** tab, input the AEOI ID at **General – Automatic Exchange of Financial Information ID (AEOI)**.

General Settings Password Policy System Default Others	
Parameter Name	Value
DCASS Online - Update position after generation of Interface File	Y
Exchange Rate Master - Default Auto Set Reverse Exchange Rate Flag	N
Expiration - Automatically exercised in-the-money stock-option contract - Criteria type	MINIUM IN-THE-MONEY PRICE
Expiration - Automatically exercised in-the-money stock-option contract - Criteria value	0.01
Fee Nature Master - Maximun Posting Amount Depends On Other Fee	N
General - Account ID Field Allow Closed Flag	
General - Account ID Field Allow Prepare To Close Flag	
General - Account ID Field Enable Auto Complete	Y
General - Account ID Field Enable Auto Fill for Auto Complete	N
General - Account ID Field Number of Suggestion for Auto Complete	10
General - Automatic Exchange of Financial Information ID (AEOI)	
General - BIC Code of Company	
General - Check warning records	N

Figure 1 Company Master

5.2 CREATING CRS AT CLIENT LEVEL

Menu: Master > Client

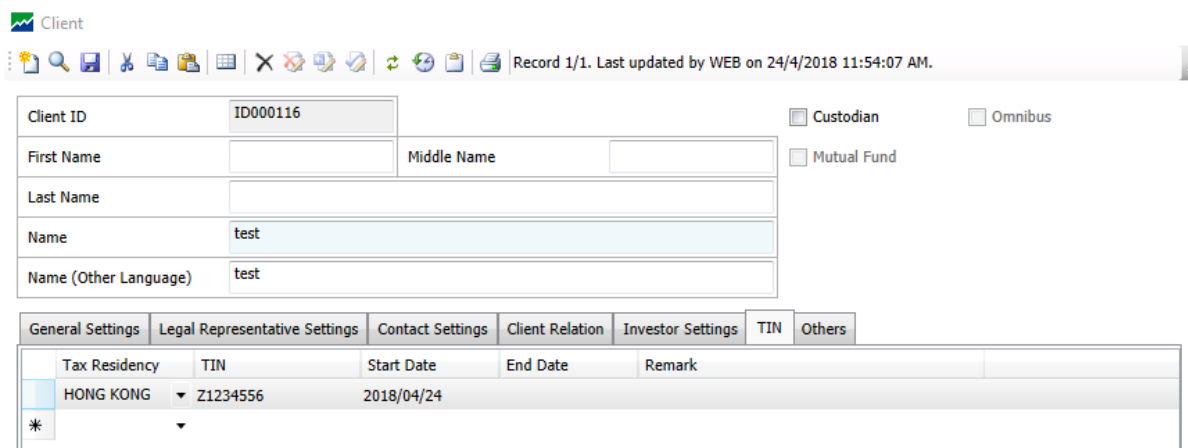
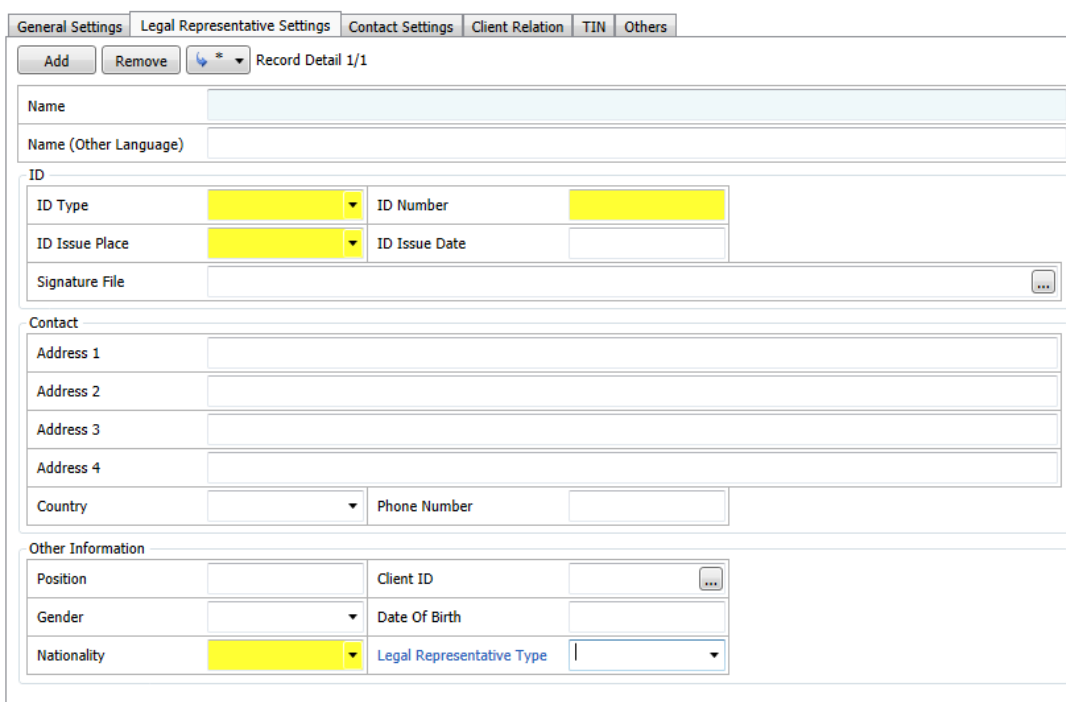


Figure 2 Master > Client - TIN

Step 1 At **Tin** tab, input the **tax residency**, **TIN number**, **start date** and **end date**.

Field	Description
Tax Residency	Country of the tax resident
TIN	TIN represents Taxpayer Identification Number (for individuals) Citizen identity card / passport number (for entities) for business/ company registration number Note: TIN is not a mandatory field as some countries do not require TIN information.
Start Date	The start date where CRS starts effective, i.e. the effective date of the client's nationality For simplicity, user can input the account opening date here. Note: If Start Date is empty, system will regard this record as non-reportable, i.e. the record will not be exported to the xml for IRD submission.
End Date	The end date of the passport, or the client's nationality (applicable to client who changed nationality)
Remark	Additional information

Step 2 For corporate client, please provide the controlling person information at **Legal Representative Settings**.



General Settings | Legal Representative Settings | Contact Settings | Client Relation | TIN | Others

Add Remove Record Detail 1/1

Name

Name (Other Language)

ID

ID Type ID Number

ID Issue Place ID Issue Date

Signature File

Contact

Address 1

Address 2

Address 3

Address 4

Country Phone Number

Other Information

Position Client ID

Gender Date Of Birth

Nationality Legal Representative Type

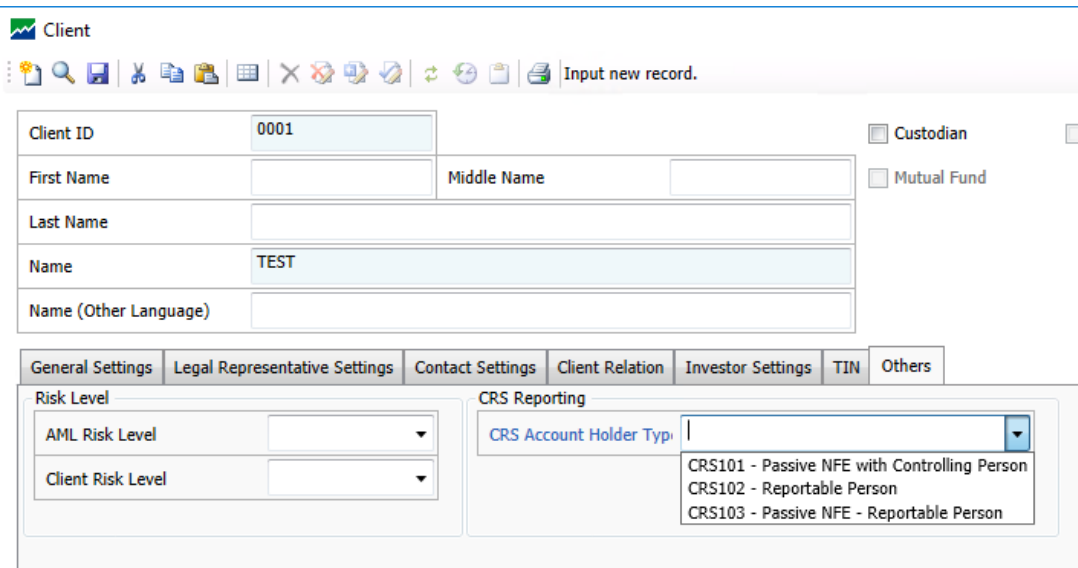
Figure 3 Master > Client – Legal Representative Settings

Step 3 Click **Add** to create a new legal representative and fill in the controlling person's name, ID and contact information.

At **Legal Representative Settings > Other Information**, fill in **Client ID** and **Legal Representative Type**.

Note: There may be more than one controlling person in an organisation. System will only report the record where the legal representative type is of either 'Controlling Person' or is not defined with any value. For legal representative type 'Others', system will not export this record to xml file for reporting.

Step 4 At **Others** tab, select the **CRS Account Holder Type** accordingly.



Client

Input new record.

Client ID 0001

First Name Middle Name

Last Name

Name TEST

Name (Other Language)

General Settings | Legal Representative Settings | Contact Settings | Client Relation | Investor Settings | TIN | Others

Risk Level

AML Risk Level

Client Risk Level

CRS Reporting

CRS Account Holder Type

CRS101 - Passive NFE with Controlling Person

CRS102 - Reportable Person

CRS103 - Passive NFE - Reportable Person

Figure 4 Master > Client – Others

CRS Account Holder Type	Definition
CRS101 – Passive NFE with Controlling Person	Passive Non-Financial Entity with – one or more controlling person that is a Reportable Person
CRS102 – Reportable Person	Reportable Person
CRS103 – Passive NFE – Reportable Person	Passive Non-Financial Entity that is a Reportable Person

5.2.1 Required information in CRS submission

In order to pass the IRD validation successfully, please fill in the following information also.

Client Master	Field
General information	First Name, Middle Name (if any) and Last Name
General Settings	Date of Birth and Place of Birth
Legal Representative Settings	Address, Country
Contact Settings	Mail, Address, Telephone Number, Country and Default Contact method

Important Note: Users are responsible to ensure that all the above information are provided during CRS submission.

5.2.2 Defining account as individual or organisation

Menu: Master > Account

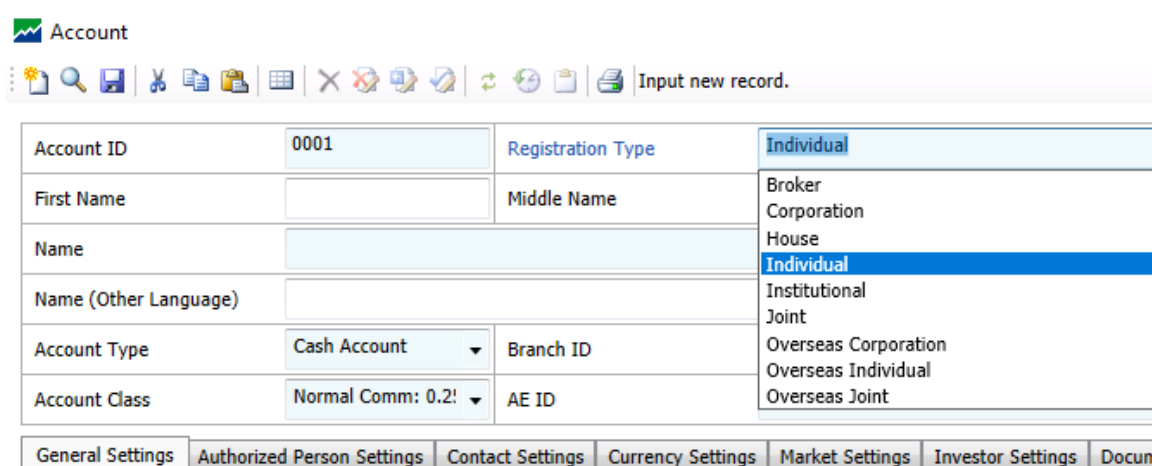
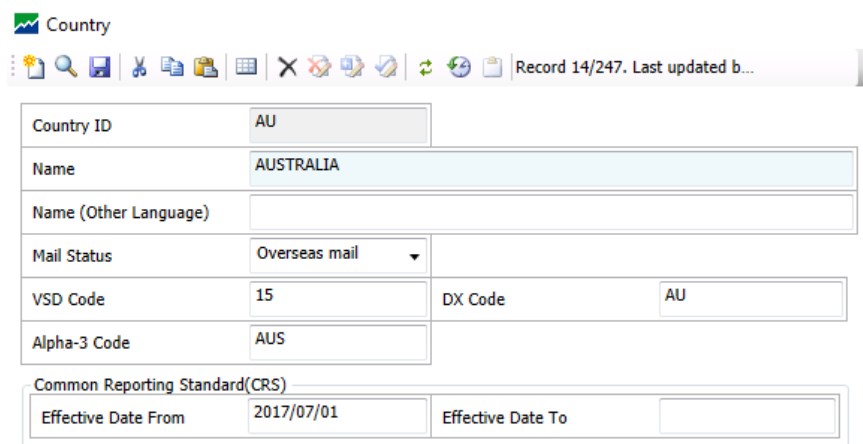


Figure 5 - Account Master

Step 1 At **Registration Type**, you can define the account type whether it is an individual account, corporation account, or any other types of financial institution account.

5.3 CREATING CRS AT COUNTRY LEVEL

Menu: Master > Country



Country ID	AU		
Name	AUSTRALIA		
Name (Other Language)			
Mail Status	Overseas mail		
VSD Code	15	DX Code	AU
Alpha-3 Code	AUS		
Common Reporting Standard(CRS)			
Effective Date From	2017/07/01	Effective Date To	

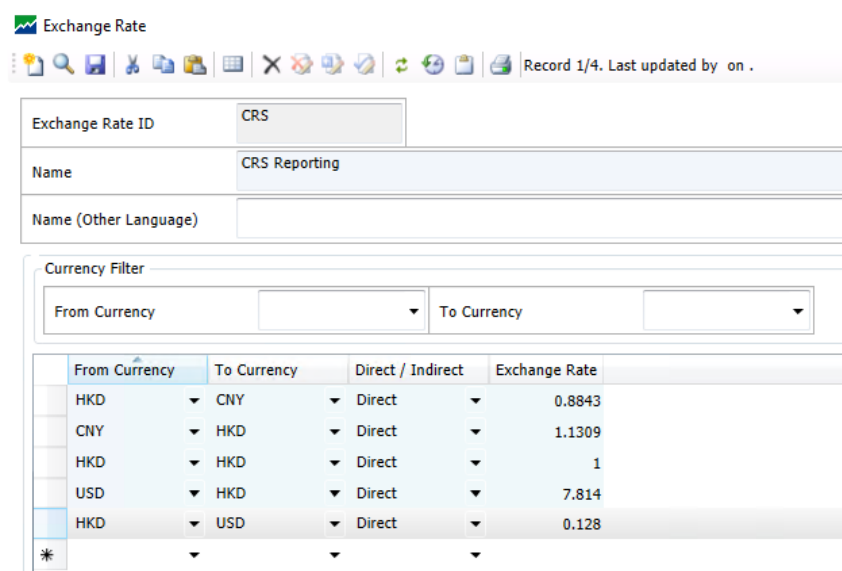
Figure 6 Master > Country

Step 1 At **Common Reporting Standard (CRS)**, input the **Effective Date From** and **Effective Date To** for setting the CRS effective period of a country.

Note: If a country does not belong to any reportable jurisdictions, please disable the CRS by removing the effective date information.

5.4 EXCHANGE RATE SETTING

Menu: Master > Exchange Rate



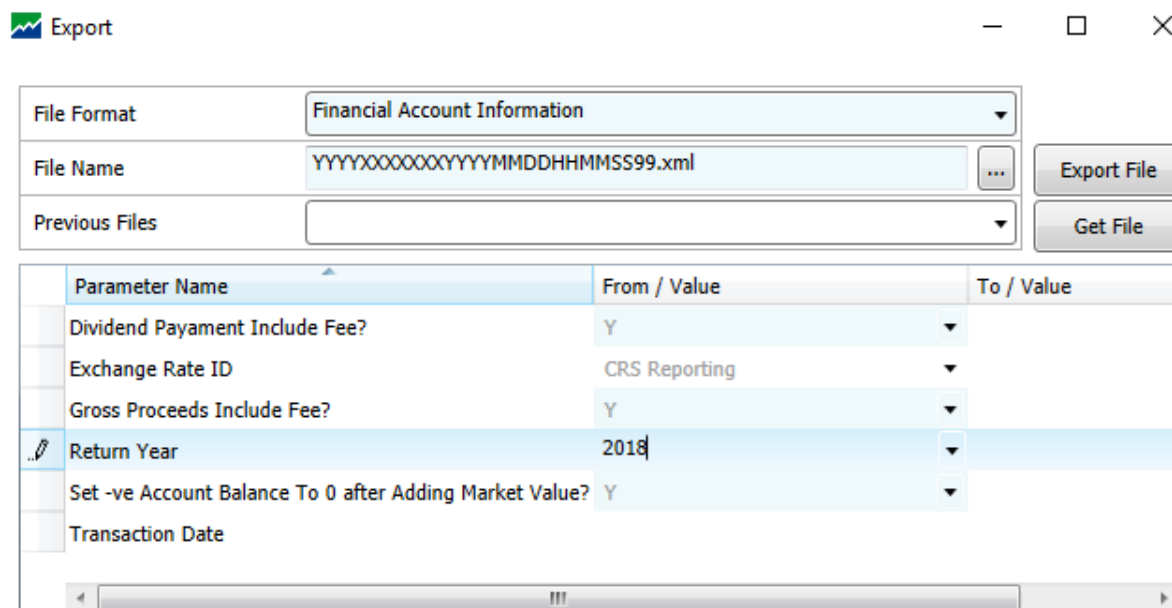
Exchange Rate ID	CRS		
Name	CRS Reporting		
Name (Other Language)			
Currency Filter			
From Currency		To Currency	
From Currency	To Currency	Direct / Indirect	Exchange Rate
HKD	CNY	Direct	0.8843
CNY	HKD	Direct	1.1309
HKD	HKD	Direct	1
USD	HKD	Direct	7.814
HKD	USD	Direct	0.128
*			

Figure 7 Master > Exchange Rate

Step 1 User can set the Exchange Rate for CRS Reporting as illustrated in above sample.

5.5 EXPORT XML FOR SUBMISSION TO INLAND REVENUE DEPARTMENT (IRD)

Menu: Batch > Interface File > Export



Parameter Name	From / Value	To / Value
Dividend Payment Include Fee?	Y	
Exchange Rate ID	CRS Reporting	
Gross Proceeds Include Fee?	Y	
Return Year	2018	
Set -ve Account Balance To 0 after Adding Market Value?	Y	
Transaction Date		

Figure 8 Export > Financial Account Information

Step 1 Choose the corresponding return year and transaction date that IRD required.

Step 2 User may export the dividend payment / gross proceeds **with** or **without** fee as per IRD requirement.

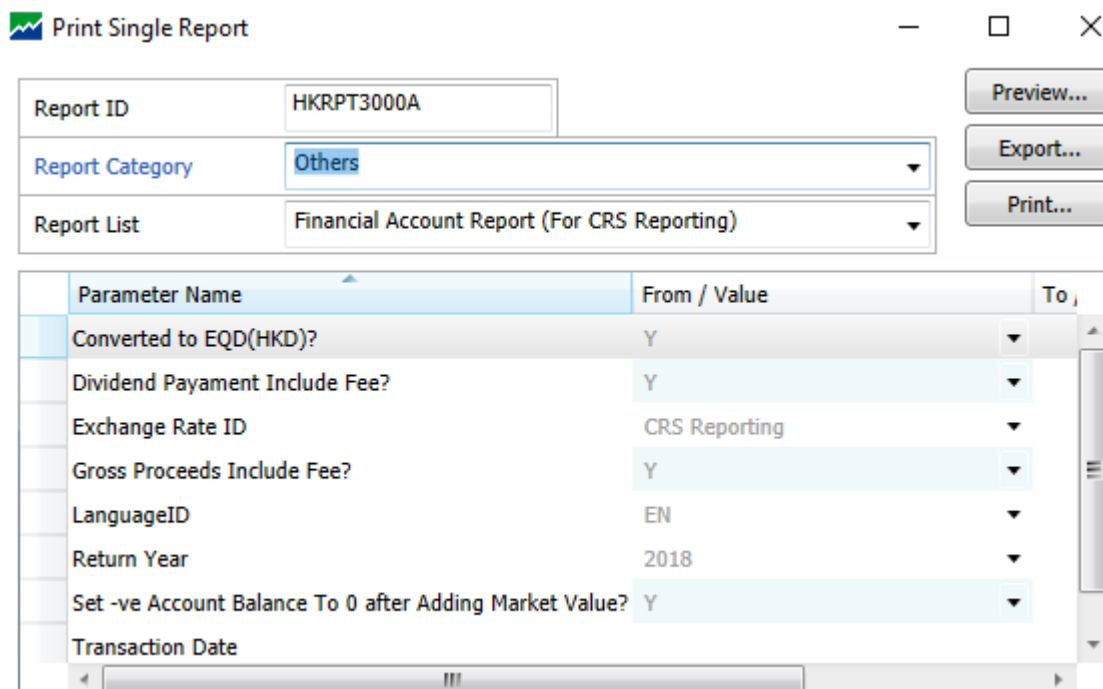
Step 3 If the reporting period is not per annum, e.g. on a quarterly basis, filter by a specific **Transaction Date** to export the corresponding xml file.

Step 4 Click Export to generate the xml file and submit to IRD.

5.6 PRINT CRS REPORT FOR CLIENT

5.6.1 Financial Account Report (For CRS Reporting)

Menu: Report > Print Single Report



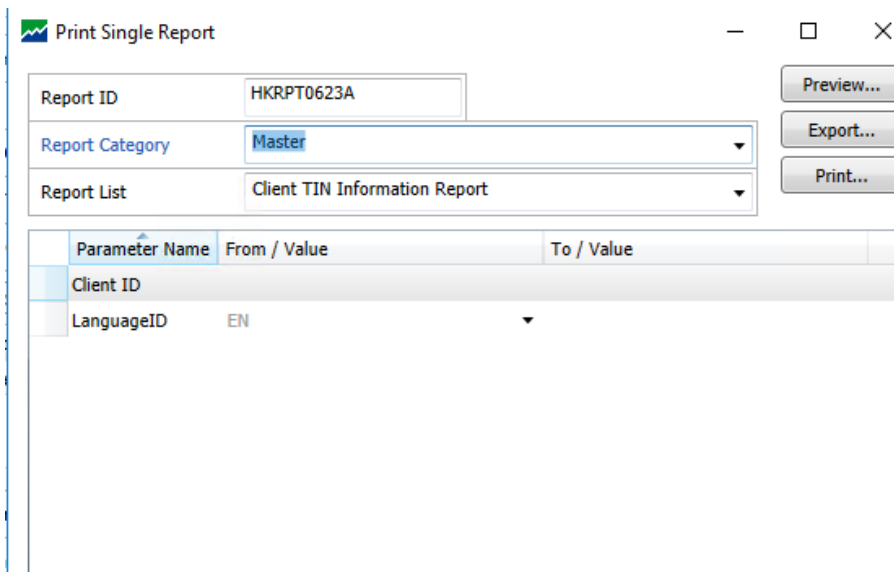
Parameter Name	From / Value	To
Converted to EQD(HKD)?	Y	
Dividend Payment Include Fee?	Y	
Exchange Rate ID	CRS Reporting	
Gross Proceeds Include Fee?	Y	
LanguageID	EN	
Return Year	2018	
Set -ve Account Balance To 0 after Adding Market Value?	Y	
Transaction Date		

Figure 9 Print HKRPT3000A

Step 1 Choose the Report ID as **HKRPT3000A**, Report Category as **Others** and Report List as **Financial Account Report (For CRS Reporting)**. User may edit the parameter in desired fields accordingly.

5.6.2 Client TIN Information Report

Menu: Report > Print Single Report



Parameter Name	From / Value	To / Value
Client ID		
LanguageID	EN	

Figure 10 Print HKRPT0623A

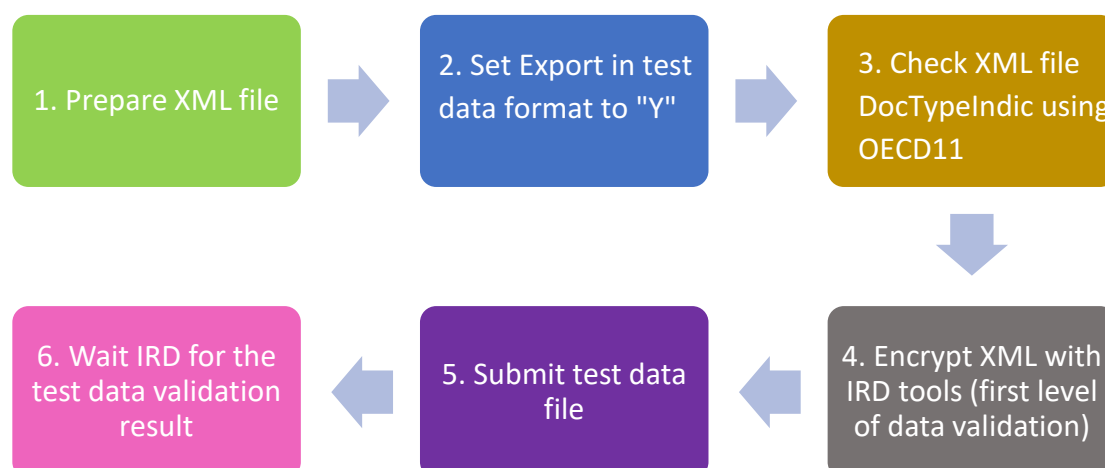
Step 1 Choose the Report ID as **HKRPT0623A**, Report Category as **Master** and Report List as **Client TIN Information Report**. User may edit the parameter in desired fields accordingly.

5.7 CRS SUBMISSION TO IRD

5.7.1 Submission at 1st time

For CRS submission at first time by G3SB, prior consent has to be obtained from IRD by submitting test data file to the AEOI Portal for validation.

Workflow for 1st submission



Step 1 Users prepare the XML as per sections 5.1– 5.5.

Step 2 Set parameter "Export in test data format?" value to "Y".

Step 3 Check XML file tag DocTypeIndic was using OECD11.

Step 4 Go to Registration and login page of AEOI Portal:
<https://aeoi1.ird.gov.hk/portal/landing/>

Download the encryption tools (as shown on next page) to encrypt the XML file. For how a data file is created, please choose **by self-developed software**.

The encryption tool acts as the first level of data validation, please make sure your XML file has all required information in Section 5.2.1

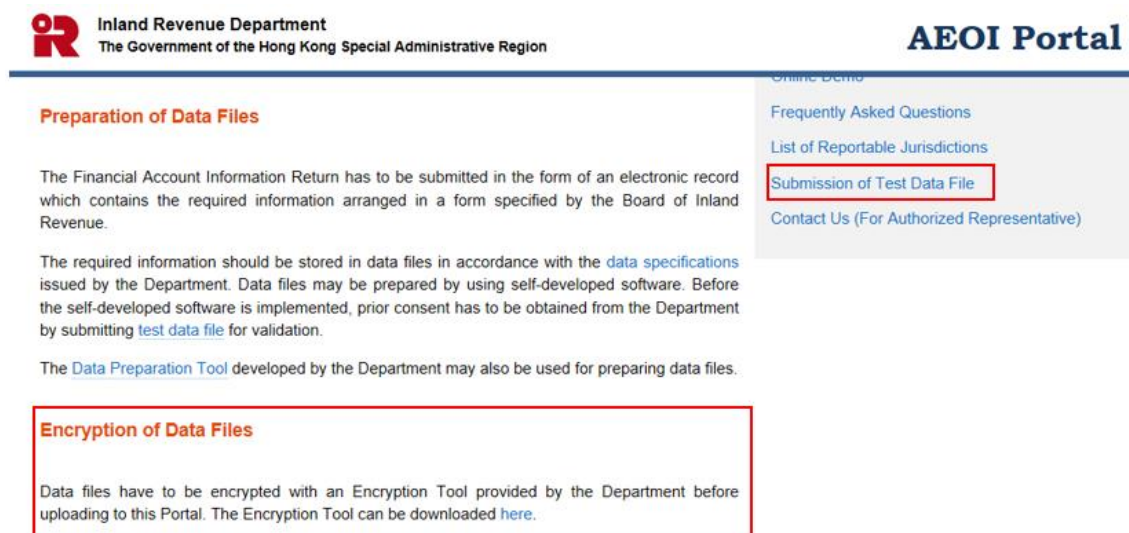


Figure 11 AEOI Portal

Step 5 Click **Submission of Test Data File** to upload your encrypted XML file.

Any queries in using IRD AEOI Portal, please check the user guide on Return Filing:
<https://www.ird.gov.hk/eng/aeoi/userguide.htm>

5.7.2 Subsequent submissions

After consent is obtained from IRD, user can proceed the CRS submission workflow as below:

Workflow for subsequent submissions



Step 1 Users prepare the XML as per sections 5.1– 5.5.

Step 2 Go to Registration and login page of AEOI Portal:
<https://aeoi1.ird.gov.hk/portal/landing/>

Step 3 Encrypt the XML file by the IRD encryption tools.

Step 4 Login to AEOI Portal to upload the encrypted XML file.

5.8 APPENDIX

5.8.1 Guidance for Financial Institutions

<https://www.ird.gov.hk/eng/tax/aeoi/guidance.htm>

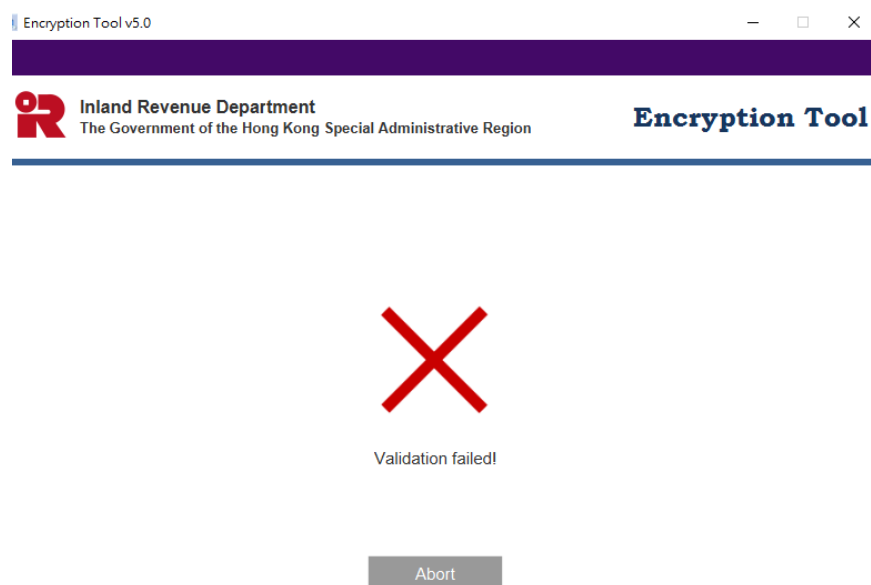
5.8.2 List of the reportable jurisdictions

https://www.ird.gov.hk/eng/tax/aeoi/rpt_jur.htm

Note: Hong Kong is excluded from reportable jurisdictions.

5.9 FAQ

Q1. I have encrypted my XML file and upload to IRD, but it said ‘Validation failed!’. Why?



Errors are found in this data file. Please check the following log for details.
Log file: [AEOI_DataFileValidation_20200207010102.log](#)

Ans: One possible reason is that XML does not contain all information required by IRD. The list of information can be referred to section 5.2.1. You may also check the report #3000A (as stated in section 5.6.1) for checking any missing data.

END OF DOCUMENT