

FAQs – Common Reporting Standard (CRS)

1. Is there a deadline for CRS registration with the MRA?

There is no deadline for registration. Upon registration, passwords are processed and despatched by post. Registration is accessible through the following link: <https://eservices3.mra.mu/crsreporting/registercrs.jsp>

2. Does an entity, which is already registered for FATCA, have to register for CRS?

Yes, the entity will have to register for CRS irrespective of it being registered for FATCA.

3. Can you please confirm whether a Foreign Service Provider can register from abroad and report to the MRA on the Mauritius Financial Institution (MFI)?

The MFI will have to register with the MRA with a local address to which the password will be sent. The login information can then be transmitted to a third party (local or foreign) if the MFI thinks fit. The responsibility to report CRS information however remains with the MFI.

4. The MRA CRS Guidance Notes provide that reporting for CRS has to be in XML format. Please provide additional details.

FIs are under the obligation to report their CRS information in XML format as required by the OECD. The responsibility to make necessary arrangements in this sense rests with the FIs. The MRA undertakes the validation check and is responsible for transmitting the information to the Participating Jurisdictions' tax authorities.

5. Is it possible for the MRA to send a password through email?

The password is normally despatched by post for security reasons. However, the Director of the entity is allowed to collect the password directly at the MRA's premises upon presentation of his/her ID card. In case the Director is unable to collect the password, he/she can send any person with an authorization letter to collect the password on his/her behalf, upon presentation of the third party's ID card. Please note that passwords can be collected at the MRA Operational Services Department (OSD) Mezzanine Floor, 2 working days after registration is completed. (Between 09:00- noon and 13:00 – 16:15).

- 6. As per the MRA CRS Guidance Notes, 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. If an FI chooses not to make an election to apply the threshold exemption, will it need to review all pre-existing entity accounts in order to identify Reportable Accounts?**

This is a matter to be decided by each entity. FIs can opt to review and report all entity accounts regardless of their thresholds.

- 7. What is the definition of “Controlling person” for CRS purposes?**

Controlling persons are always natural persons who ultimately own or control a legal entity or arrangement, such as a company, a trust, a foundation, etc.

The “look through” process to identify controlling persons needs to be applied for Passive NFEs only.

For CRS purposes, FIs should identify controlling ownership interest using the 20% threshold.

- 8. XML conversion – Will the MRA provide the XML conversion tool for the purpose of reporting on MRA e-platform?**

No.

- 9. Is an FI allowed to upload several XML files?**

No. An FI will be allowed to upload only 1 file in each reporting year.

- 10. Will an FI have to upload one XML file in respect of each Reportable Jurisdiction?**

No. The FI will have to upload a single file consisting of all account holders from each reportable jurisdiction. The MRA will then sort the data received and send the information through the CRS Platform.

11. A resident trust is one which is administered in Mauritius and where a majority of trustees are resident in Mauritius; or where the settlor of the trust was resident in Mauritius at the time the instrument creating the trust was executed. Can the MRA confirm whether this will be the case irrespective of whether a Trust has deposited a Declaration of non-residence for the income tax exemption as per Section 46(3) of the Income Tax Act?

Where the resident trust is an FI, it will have to register for CRS and fulfill its reporting obligations despite having deposited a Declaration of non-residence for income tax purposes. The trust will have to register for a TAN. To obtain a TAN, kindly send an email to registration@mra.mu.

12. As part of the due diligence procedures, a Tax Identification Number (TIN) has to be collected. Can the MRA confirm whether only TIN is required as evidence of tax residence?

Along with TIN, a self-certification is needed and has to be supported by relevant documentary evidence.

13. Where an FI maintains both a Depository and a Custodial Account, the Depository Account is a Balance Sheet item whilst the Custodial Account is an “off balance sheet item”. Can the two accounts be reported separately?

Yes. Aggregation is only possible with similar types of accounts.

14. Section 10.7 of the GN provides that ‘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 be required. Can the MRA confirm that a fund which falls within the definition of an Investment Entity should not be reported by a bank, but should carry out its own reporting as an Investment Entity?

Yes, because an FI is not required to report on another FI.

15. Will a management company normally be considered as being an investment entity?

The MRA does not advise on entity classification. Section 4.5.3 of the CRS Guidance Notes provides general guidelines on what constitutes an Investment Entity.

16. Where there is a master fund and a feeder fund, both in reportable jurisdictions (not necessarily in the same jurisdiction), can reporting be done by only one FI?

Reporting in respect of Master Funds and Feeder Funds will have to be done independently.

17. From a reporting perspective, in case of a company/fund in Mauritius with underlying Mauritian SPVs, can the “sponsorship approach” be used?

“Sponsoring approach” is not available under the CRS. However, the “Related Entity approach” which is similar to the Sponsoring Regime under FATCA is available. SPVs which qualify as related entities will benefit from this regime.

18. In what currency should reporting for CRS be done?

Reporting should be done in the currency in which the account is denominated.

19. Does an Entity’s Controlling Person(s) who is (are) tax resident only in Mauritius need to be reported?

No. Only controlling persons who are not tax resident in Mauritius have to be reported.

20. For the purpose of determining whether a Controlling Person of a Passive NFE is a Reportable Person with respect to a Pre-existing Entity Account, a Reporting FI may only rely on the information collected and maintained pursuant to AML/KYC Procedures in case the aggregate account balance of such account held by one or more NFEs does not exceed USD 1 million. When is the USD 1 million threshold for the purpose of determining the due diligence procedure applicable to Controlling Persons of Passive NFEs to be determined?

In line with the general rules regarding thresholds which are applicable in the framework of the due diligence procedures, as reflected in paragraph B of Section II and paragraphs A, B and E(2) of Section V, the point in time at which the surpassing of the threshold should be verified is the last day of the calendar year or other appropriate reporting period. For example, in case the account balance of the relevant account is USD 900 000 on the date on which the FI carried out the due diligence procedures, but USD 1 100 000 at year-end, the threshold of USD 1 million has been surpassed for the purpose of the due diligence obligations in that year.

21. For the purpose of determining the Controlling Persons of a Passive NFE, does the CRS allow a Reporting FI to not determine/report such Controlling Persons on the basis that there is a Reporting FI in the ownership chain between the Passive NFE and the Controlling Person?

No. The CRS status of intermediate Entities in the ownership chain is irrelevant for these purposes.

22. With respect to Pre-existing Entity Accounts with an aggregate account balance or value that does not exceed USD 1,000,000, what is the due diligence and reporting requirement in cases where the FI holds information on the names of Controlling Persons but no other information is available given that it was not required to collect such information under the AML/KYC procedures?

The Standard provides that for accounts with a balance or value below USD 1 million (after applying the aggregation rules), the FI may rely on information collected and maintained for regulatory or customer relationship purposes, including AML/KYC procedures to determine whether a Controlling Person is a Reportable Person (Section V, D, (2), c)). As stated above, the FI does not have and is not required to have any such information on file that indicates that the Controlling Person may be a Reportable Person. As such, it cannot document the residence of the Controlling Persons and does not need to report that person as a Controlling Person.

23. An FI is incorporated in Mauritius but neither has its Place of Effective Management in Mauritius nor files its returns to the Mauritius Revenue Authority. Will this FI have to do its CRS Report through Mauritius?

No. The FI is expected to file its CRS report in the jurisdiction in which it files its tax returns and is tax resident.