

# Automatic Exchange of Information (AEOI)



How to record and classify clients in Troika, to assist with CRS and FATCA reporting obligations

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## Introduction

Automatic Exchange of Information agreements are made between many countries. These agreements allow the exchange of information between tax authorities of different countries about financial accounts and investments to help stop tax evasion.

Financial institutions, for example, banks, building societies, insurance companies and investment companies, will provide information on non-residents with financial accounts and investments to the tax authorities in each country.

Current AEOI regimes include: -

- United States Foreign Account Tax Compliance Act (FATCA)
- Common Reporting Standard (CRS)
- UK Crown Dependencies and Overseas Territories (CDOT)
- EU Directive on Administrative Co-operation

HMRC, STEP, ICAEW, The Law Society and other offshore financial service commissions have also published information outlining how the new legislation may affect your organisation and where changes may have to be made for all regimes. For example: -

- Reviewing engagement letters and client documentation
- Self certification forms and certificates
- Client take-on processes
- Client identification
- Reporting to tax authorities and other client communications

Useful resources: -

- <http://www.step.org/policies/aeoi-resources>
- <http://www.icaew.com/en/technical/tax/fatca>
- <https://www.gov.uk/government/collections/automatic-exchange-of-information-agreements>

Troika can assist with the classification of clients and entities for the purposes of FATCA and CRS reporting obligations. Existing entities managed within Troika can be classified for each regime and the reportable accounts maintained. The underlying records can be exported to specified data files and Excel, to assist with reporting and ultimately filing with the relevant tax authorities.

## Maintaining individuals' contact records

Clients/Entities within both the CRS and FATCA reporting regimes will need to record who their 'reportable accounts' are held by. Where these contacts exist within Troika and are recorded potentially as a beneficiary, trustee, member, director, secretary etc., these contacts will need to maintain complete records.

Example contact page for an individual: -

Please ensure the following fields are populated for individual contacts, via the entity details screen.

- Nationality
- Domicile
- Citizenship
- Nat. of Origin
- Residence
- Primary Tax Residence
- Tax Reference
- Tax identification numbers (TINs)  
(see <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers>)
- NI or Social Security Number (if applicable)
- Address records
- Phone number and other contact details
- Date of Birth
- Place of Birth

If the individual will be classified as a 'US person' using the standard indicia under the FATCA regime, also complete the details accessed within the US Identification tab.

### Recording additional information for US Persons

Additional fields for individual entity type can be entered via the US Identification tab on the contact records: -

- US Permanent Resident Card (checkbox)
- Resident Since (Date)
- Green Card Expires (Date)
- US Taxpayer ID (TIN Number)
- W-8Ben Form (checkbox)
- W-9 Form (checkbox)
- W-18IMY Form (checkbox)
- IRS Form dates

Entity Details - Mr John Peter Crabtree

General Individual **US Identification** Compliance Address Relationships Category Custom Documents Registers

US Permanent Resident Card  Resident Since 20/01/09 Card Expires 20/01/19  
(Alien Registration Card)

Confirmed status of United States person Yes

W-8Ben Certificate of foreign status of beneficial owner for United States tax withholding  IRS Form Requested 18/03/14  
IRS Form Dated 20/05/14  
OR  
W-9 Form requested (IRS request for Taxpayer Identification Number and certification)  IRS Form Expiry 20/05/17  
No expiry date on form   
Other documentary evidence establishing non-US status  W-18IMY Form

US Taxpayer Identification No. (TIN) 45-564838937

The following contact data should also be reviewed for all contacts and populated where possible, to assist with the confirming US person status: -

- Address records (by type, but specifically any within the USA)
- Phone numbers, including mobile numbers with US dialling codes
- Power of Attorney register entries. (Where a POA exists with another individual who has a US status or US indicia exists)
- Signatory register entries. (Where a signatory exists with another individual who has a US status or US indicia exists)

You might need to review other records held outside of Troika to ascertain US person status such as instructions to transfer funds to a US account or 'in care of' or 'hold mail for' indicators. You should ensure you have adequate take-on and monitoring processes for this data.

### Confirming Status of US Person for FATCA reporting

Once the US status of each individual has been confirmed, you can update the field 'Status of US Person' displayed on the US Identification tab. The options available are 'Yes', 'No' and 'Not classified' and the response will be displayed when running reports in Troika and Troika Connect.

### Reviewing individuals' contact records

To ensure all the fields are completed and to identify missing information, the contact details can be exported to Excel using the 'Document – List' menu option in Troika Administrator, global tab. Select the data list 'Entity Details' and export all of the relevant fields listed in this document to assist with regular checking and review.

An additional data list 'Entity Details - US Identification' is also available to export and review US person specific information.

To review the contact records for US persons only, the Troika Connect report 'FATCA Individual Details' can be run. This report lists contact details for any individual where their Nationality, Domicile, Citizenship or Tax Residence is in the United States of America. The report also provides an additional filter for the setting Confirmed US Status. Filtering for 'Not Classified' will list all individuals where their US status has not yet been classified.

## Maintaining all other Entity records

For all other entity types, ensure the 'Primary Tax Residence' and 'Jurisdiction fields' have been completed. These are accessed from the Client Details – Edit, menu option in Troika Administrator or the entity details screen for non-client entities. These are essential fields to assist with AEOI reporting.

Trust Details - Dedlock, Lady Discretionary Settlement, The 456875

Memo	Custom	Documents	AEOI - FATCA	AEOI - CRS	Employees						
Administration	Registers/Lists	Relationships	Accounts	Matters	Addresses	Tasks	Reviews	Categories	Compliance	Due Dates	Control
Status	Active	Proper Law	England and Wales	Ref. Number	456875						
Type	Discretionary Trust	Jurisdiction	England and Wales	Trust Purpose	Benefit of grandchild						
Primary Tax Residence	United Kingdom	Trust Terms		Trust Period	Ends 1 December 2075						
				Engagement Letter	20/01/99						

## AEOI – CRS: Recording the classification of the clients

Select the client from the Client tab in Troika Administrator and access the client details, AEOI-CRS tab.

Trust Details - Dedlock, Lady Discretionary Settlement, The 456875

Memo	Custom	Documents	AEOI - FATCA	AEOI - CRS	Employees						
Administration	Registers/Lists	Relationships	Accounts	Matters	Addresses	Tasks	Reviews	Categories	Compliance	Due Dates	Control
Primary Tax Residence	United Kingdom	Jurisdiction	England and Wales	Export							
CRS Classification	<input type="radio"/> Non-Financial Entity (NFE) <input checked="" type="radio"/> Financial Institution (FI) <input type="radio"/> Not subject to CRS reporting		Reporting <input checked="" type="checkbox"/> Non-reporting <input type="checkbox"/>	CRS Status Determined <input type="text" value="20/06/16"/> Next CRS Review <input type="text" value="20/06/17"/>							

Within the CRS Classification section of the screen, select the appropriate classification for the selected client. The options available are: -

- Non-Financial Entity (NFE) Passive or Active
- Financial Institution (FI) – Reporting or Non-Reporting
- Not subject to CRS reporting – and the reason.

NB the list of 'reasons' is maintained within the Troika Utilities module, via the Security tab > Administration settings > Sundry Type Maintenance > FATCA Reason.

Enter the date the CRS Status was determined; the next CRS review date will automatically populate as one year in advance. This can be amended as required and the dates can be monitored via the summary 'Admin' screens in Troika Connect. For example: -

## Client Administration

Date View

[switch to Months Count View](#)

	Company	Trust	Individual	Partnership	Estate	Foundation	Other	Total
May 2017	0	1	0	0	0	0	0	1
Oct 2016	1	0	0	0	0	0	0	1
Mar 2016	5	2	0	1	0	0	0	8
Feb 2016	3	6	0	0	0	0	0	9
Jan 2016	3	4	0	0	0	1	0	8
Dec 2015	2	1	0	1	0	0	0	4
Nov 2015	3	2	0	0	0	0	0	5
Oct 2015	3	0	0	0	0	0	0	3
No date specified	10	21	15	0	24	0	1	71
						Show all		110

Clicking on the numeric values, allows a 'drill-down' to the underlying information about each entity and it's CRS classification and registration as entered in Troika.

The next section of the screen allows you to record the FI status and how the client will be reporting to the relevant tax authority in the operating jurisdiction. Select from the drop down list the appropriate option. For example, 'Trust Reports Directly/Participating FI'. The list of available options varies depending on the entity type, and the terminology required.

Name	Tax Residence	CRS Classification	High/Low Value	Account
Miss Adelaide Louise Dedlock (Joint)	United Kingdom	Individual	Low	Pre-existing
Mr Leopold Alfred Dedlock	France	Individual	High	New
The Ancient Curiosity Shops Limited	Jersey	NFE - Active	High	New

## CRS Controlling Persons & Reportable Accounts

Using the add button to the right of the list, select from the list of available entities (already existing) to add to the list of 'reportable accounts'. The entities will then appear in the list as shown in the screen above. The tax residence of each reportable account will also be displayed in the list. If the tax residence is missing, the contact record can be edited directly from the screen by clicking the edit button (...). If the entity is also a Troika client record and their CRS classification has also been recorded in Troika, their classification will also be displayed in the list. Click on the blue information button to classify the account holder as either a new account or pre-existing account and whether the account is a high or low value.

Controlling Person Classification

The Ancient Curiosity Shops Limited

Pre-existing Account

New Account

High Value Account

Low Value Account

A joint account holder can also be included by highlighting the account holder row and clicking the joint icon. 

## Selecting additional Fund Nominals for Reporting

If account balances are to be included in the exported data to assist with CRS reporting, the controlling person classification screen can also be used to specify fund nominal account codes for: -

- Distributions
- Loan Payments
- Loan Balances

CRS Account Balance Type	Fund Nominal Account Code
Distributions	87100 Capital Distributed - 1
Distributions	87110 Capital Distributed - 2
Loan Balances	60100 Bank Loan - IHT
Loan Repayments	

*NB The Fund Nominals can only be assigned in version 2.08.026 onwards.*

Select the from the list of CRS Account Balance types and assign the appropriate fund nominal account for the balance type. Multiple fund nominal accounts can be assigned to the 'same balance type'. Using the red delete icon to remove the fund nominal from the reporting. Each reportable account will need to have its own fund nominal accounts maintained via this screen.

The complete AEOI-CRS data captured above can also be accessed via the Client Details page within the Troika Connect browser application.

## AEOI – CRS: Exporting the account information to assist with reporting

The CRS classification information and contact details for the reportable accounts can be exported to an Excel via the AEOI-CRS tab. Additional financial data including balances and payments can be included on this export as an option during the output process.

Firstly, from the Troika Utilities module, 'Default Address Lookups' menu, select the primary address type for each contact type to include the Excel Export of CRS data.

Contact Type	Default Address Type
Other	Private
Individual	Private
Company	Registered Office
Trust	Trust
Partnership	Principal
Estate	Private
Foundation	Principal

Next, from the AEOI CRS tab (from any selected client) in Troika Administrator, select the Export button and make the following selections: -

Client Selection: Click the Advanced button and select the clients to be included in the Excel output.

CRS Classification: Select from the classification available using the checkboxes.

Account holders based on: Select either by the list or CRS reportable accounts (recommended) or via a selection of existing registers.

*NB If the export is based on 'register selection', the contacts included in the export will not include the 'account existing/new' and 'value' indicators, nor account balances.*

**Client Selection:**

**Selection by CRS Classification:**

- Non-Financial Entities - Active
- Non-Financial Entities - Passive
- Financial Institutions - Reporting
- Financial Institutions - Non-Reporting

**Account Holders Based On:**  Register Selection **OR**  CRS Reportable Accounts

**Register:**

Signatories	Trust
Professional Advisors	Trust
Nominees	Trust
Unit Holders	Trust
Powers of Attorney	Partnership
Signatories	Partnership
Advisors	Partnership

**Included:**

Settlers	Trust
Beneficiaries	Trust
Trustees	Trust
Protectors	Trust
Life Tenants	Trust
Ultimate Beneficial Owner	Trust

Click the Excel icon to export the data to an Excel spreadsheet. The following columns are included in the export: -

- Client Full Name
- Client CRS Status
- Client CRS FI Registration Details
- Client GIIN
- Class1 – Account existing or new
- Class2 – High Value or Low Value
- Reporting Entity Full Name
- Reporting Entity Tax Reference
- Reporting Entity US TIN Number

- Reporting Entity NI Number
- Reporting Entity Passport Number
- Reporting Entity ID Card Number
- Reporting Entity Private Address - Line 1
- Reporting Entity Private Address - Line 2
- Reporting Entity Private Address - Line 3
- Reporting Entity Private Address - City/Town
- Reporting Entity Private Address - County/State
- Reporting Entity Private Address - Country
- Reporting Entity Private Address - Postcode
- Reporting Entity Date of Birth
- Reporting Entity Place of Birth
- Reporting Entity Nationality
- Reporting Entity Domicile
- Reporting Entity Citizenship
- Reporting Entity Nationality of Origin
- Reporting Entity Residence
- Reporting Entity Primary Tax Residence
- Reporting Entity Confirmed Status of US Person
- Reporting Entity Document Status

### Optional Account Balances

To include account balances as part of the Excel output of the data, additional settings must be configured within Troika Utilities. This will enable reportable account balances and entity balances to be included as follows: -

- Distributions Paid
- Loan Balances
- Loan Repayments
- Net Asset Value of the entity
- Total Asset Value of the entity

From the 'System Settings' menu option in Troika Utilities, find the entries for CRS\_NAV and CRS\_TAV. Enter the list of Nominal Type Codes for both the total asset value and net asset value calculation, separated by a comma (no spaces within this string of characters). All nominal account balances assigned to these nominal 'types' will be summed in the calculation of both balance types.

Example settings within Troika Utilities, System Settings: -

CRS_NAV	INV,ASS,BNK,BRK	Enter types for net asset value calculation
CRS_TAV	INV,ASS,BNK,BRK,CLI,LIA	Enter types for total asset value calculation

Column Letter in Excel Output	Column Label	Data Output
AB	Reporting Currency	The reporting currency of the client
AC	Distributions Paid	Total balance in the reporting currency of the nominal accounts assigned with the account balance type 'distributions'.
AD	Loan Balances	Total balance in the reporting currency of the nominal accounts assigned with the account balance type 'loan balances'.
AE	Outstanding Balances	Total balance in the reporting currency of the nominal accounts assigned with the account balance type 'outstanding balances'.
AF	Total Asset Value	Total balance in the reporting currency of the nominal accounts assigned with the nominal types in the setting 'CRS_TAV'
AG	Net Asset Value	Total balance in the reporting currency of the nominal accounts assigned with the nominal types in the setting 'CRS_NAV'

To include these additional columns as part of the data output to Excel, check the option 'include account balances', and enter the reporting 'as at' date. Click Export to calculate these balances and include the columns.

CRS Reportable Accounts      Include Account Balances   
 As At

## AEOI – FATCA: Recording the classification of the clients

Select the client from the Client tab in Troika Administrator and access the client details, AEOI-FATCA tab.

Intergovernmental Agreement (IGA)  Agreement Type/Model

**FATCA Classification**

Non-Financial Foreign Entity (NFFE)      FATCA Status Determined   
 Financial Institution (FI)/Foreign Financial Institution (FFI)      Reporting  Non-reporting       Recalcitrant Account   
 Not subject to FATCA IGA reporting      Next FATCA Review

At the top of the tab, enter: -

- Intergovernmental Agreement (IGA) - Select from the existing list of countries (optional)
- Agreement Type/Model – Select either Model 1 or Model 2 agreement (optional)

Within the FATCA Classification section of the screen, select the appropriate classification for the selected client. The options available are: -

- Non-Financial Entity (NFFE) Passive or Active
- Financial Institution (FFI) – Reporting or Non-Reporting. If the client is Reporting, the option to record the client as Recalcitrant appears.
- Not subject to FATCA reporting – and the reason.

NB the list of 'reasons' is maintained within the Troika Utilities module, via the Security tab > Administration settings > Sundry Type Maintenance > FATCA Reason.

Enter the date the FATCA Status was determined; the next FATCA review date will automatically populate as one year in advance. This can be amended as required, and the dates can be monitored via the summary 'Admin' screens in Troika Connect. For example: -

Client Administration								
Date View	switch to Months Count View							
	Company	Trust	Individual	Partnership	Estate	Foundation	Other	Total
<b>Next FATCA review</b>								
May 2017	0	1	0	0	0	0	0	1
Oct 2016	1	0	0	0	0	0	0	1
Mar 2016	5	2	0	1	0	0	0	8
Feb 2016	3	6	0	0	0	0	0	9
Jan 2016	3	4	0	0	0	1	0	8
Dec 2015	2	1	0	1	0	0	0	4
Nov 2015	3	2	0	0	0	0	0	5
Oct 2015	3	0	0	0	0	0	0	3
No date specified	10	21	15	0	24	0	1	71
						Show all		110

Clicking on the numeric values, allows a 'drill-down' to the underlying information about each entity and its FATCA classification and registration as entered in Troika.

The next section of the screen allows you to record the FFI Registration details and how the client will be reporting to the relevant tax authority in the operating jurisdiction. Select from the drop down list the appropriate option. For example, 'Entity Registered as FI'. The list of available options varies depending on the entity type and the way the client or entity will be registered.

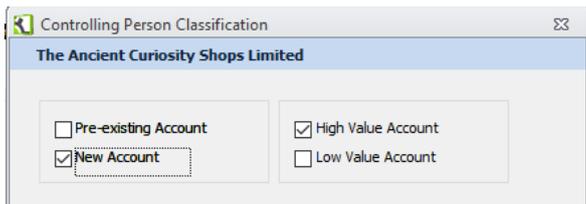
FI/FFI Registration Details	
Sponsored Investment Entity	Sponsor: Adria Nominees   GIIN: GH767U8787223
Controlling Persons	Designated Withholding Agent: Bennet Jefferson   FATCA ID: GH767
Miss Elizabeth Bennet	FATCA Responsible Officer (RO): Mr Benjamin Ayresleigh   GIIN Obtained: 20/02/15
Mr Simon Black	FI Answer 1: password   IRS Registration: 20/01/15
Miss Elizabeth Branwell	FI Answer 2: password   FI Access Code: HJD2345
Mr Allen Benjamin & Co	

- Sponsor – Select from the list of existing entities that have the role of 'Sponsor' or select a new entity.
- Designated Withholding Agent – Select from the list of existing entities that have the role of Sponsor or select a new entity.
- FATCA Responsible Officer (RO) – Select from the list of existing entities that have the role of Sponsor or select a new entity.
- GIIN Number
- FATCA ID
- Date GIIN Obtained
- Date IRS registration was requested
- Date GIIN obtained
- FI Access Code
- FI Answer 1 (security question 1)
- FI Answer 2 (security question 2)

Depending on how the client is registered, you may wish to supplement the information with details of the sponsor or designated withholding agent. If the FATCA reporting responsibilities will be undertaken by the owner (or corporate trustee), sponsor or withholding agent, the records for this entity must be promoted to a full client in Troika, and the GIIN number recorded on the client details for the reporting entity.

### FATCA Controlling Persons & Reportable Accounts

Using the add button to the right of the list, select from the list of available entities (already existing) to add to the list of 'reportable accounts'. The entities will then appear in the list as shown in the screen above. Click on the blue information button to classify the account holder as either a new account or pre-existing account and whether the account is a high or low value.



Controlling Person Classification

The Ancient Curiosity Shops Limited

Pre-existing Account       High Value Account

New Account               Low Value Account

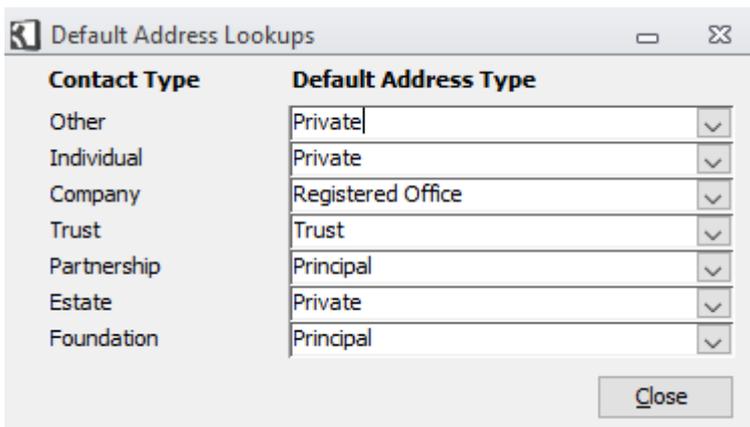
A joint account holder can also be included by highlighting the account holder row and clicking the joint icon. 

The complete AEOI-FATCA data captured above can also be accessed via the Client Details page within the Troika Connect browser application.

### AEOI – FATCA: Exporting the account information to assist with reporting

The FATCA classification information and contact details for the reportable accounts can be exported to an Excel via the AEOI-FATCA tab. Additional financial data including balances and payments can be included on this export as option during the output process.

Firstly, from the Troika Utilities module, 'Default Address Lookups' menu, select the primary address type for each contact type to include the Excel Export of FATCA data.



Default Address Lookups

Contact Type	Default Address Type
Other	Private
Individual	Private
Company	Registered Office
Trust	Trust
Partnership	Principal
Estate	Private
Foundation	Principal

Close

Next, from the AEOI FATCA tab (from any selected client) in Troika Administrator, select the Export button and make the following selections: -

Client Selection: Click the Advanced button and select the clients to be included in the Excel output.

FATCA Classification: Select from the classification available using the checkboxes.

Account holders based on: Select either by the list or FATCA controlling persons (recommended) or via a selection of existing registers.

*NB If the export is based on 'register selection', the contacts included in the export will not include the 'account existing/new' and 'value' indicators, nor account balances.*

Click the Excel icon to export the data to an Excel spreadsheet. The following columns are included in the export: -

- Client Full Name
- Client FATCA Status
- Client FATCA FFI Registration Details
- Client GIIN
- Class1 – Account existing or new
- Class2 – High Value or Low Value
- Reporting Entity Full Name
- Reporting Entity Tax Reference
- Reporting Entity US TIN Number
- Reporting Entity NI Number
- Reporting Entity Passport Number
- Reporting Entity ID Card Number
- Reporting Entity Private Address - Line 1
- Reporting Entity Private Address - Line 2
- Reporting Entity Private Address - Line 3
- Reporting Entity Private Address - City/Town
- Reporting Entity Private Address - County/State
- Reporting Entity Private Address - Country
- Reporting Entity Private Address - Postcode
- Reporting Entity Date of Birth
- Reporting Entity Place of Birth
- Reporting Entity Nationality
- Reporting Entity Domicile
- Reporting Entity Citizenship
- Reporting Entity Nationality of Origin
- Reporting Entity Residence
- Reporting Entity Primary Tax Residence
- Reporting Entity Confirmed Status of US Person
- Reporting Entity Document Status

This guide is confirmed to be applicable from Troika 2.08.026 release and onwards.