

## KPMG REG FATCA/CRS Alert

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### Canada: Issued an updated FATCA and CRS guidance

On 20 April 2020, the Canada Revenue Agency (CRA) issued updates to the guidance on Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS).

Some of the updates to the FATCA guidance are provided below:

- Updated reporting obligations of Canadian FIs, other than trusts, present in more than one partner jurisdiction (Section 3.41),
- Added definition of a “specified US person” and “US person” (Sections 6.21 and 6.22),
- Added information regarding acceptance of electronic signatures, voice recording, or digital footprint by FIs, noting that FIs can accept such electronic signatures as long as they are able to capture them in a way which demonstrates that self-certification was properly acknowledged by the account holder (Section 7.16),
- Updated information related to the self-certification that should be obtained by FIs in order to establish the status of an account holder and the penalties associated with the failure to obtain a self-certification (Sections 7.18 through 7.30),
- Updated procedures for FIs to perform if there is a subsequent change in circumstances (Sections 7.18, 8.55 and 8.76) as well as information as to what is considered a change in circumstance for an entity account (Section 10.70)
- Updated information related to the validation of self-certifications, including information to be captured in the documents (Sections 8.79, 8.80, 8.82, 9.17 through 9.24, and 10.52 through 10.69),
- Clarified the review requirement for new credit card accounts for entities (Section 10.27)

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- Updated requirements on when an account must be reported if a self-certification is not obtained (Section 10.67);
- Updated the requirement that a reportable person who is a discretionary beneficiary of a trust considered as a Passive NFE is not required to be reported until it receives a distribution from the trust or intends to exercise its vested rights in the trust property (Section 10.77); and,
- Updated requirement for trusts that control 25% or more of a Passive NFE to report all natural persons who are controlling the trust and are reportable persons (Section 10.79).
- Added descriptions of filer categories to be reported on the Part XVIII Information Return (Section 12.43)
- Added information related to reporting accounts without a U.S. TIN for the 2020 and future calendar years (Section 12.60)

In addition, updates to the CRS guidance are provided below:

- Updated reporting obligations of Canadian FIs, other than trusts, present in more than one partner jurisdictions (Section 3.41),
- Updated information related to the self-certification that should be obtained by FIs in order to establish the status of an account holder and the penalties associated with the failure to obtain a self-certification (Section 7.18 – 7.29),
- Added statement that FIs should consider the OECD’s risk analysis on the citizenship and residence by investment schemes while confirming reasonableness of self-certifications (Sections 7.31, 7.32 and 7.33),
- Added a description of what is required in order for self-certifications in respect of pre-existing individual accounts and entity accounts to be considered valid (Sections 8.61 and 10.42),
- Additional information regarding what is considered a change in circumstance for entity accounts (Section 10.50)
- Updated requirement that a reportable person who is a discretionary beneficiary of a trust considered as a Passive NFE is not required to be reported until it receives a distribution from the trust or intends to exercise its vested rights in the trust property (Section 10.55); and,
- Updated requirement for trusts that control 25% or more of a Passive NFE to report all natural persons who are controlling the trust and are reportable persons (Section 10.57).



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Reference: [FATCA Guidance](#) [PDF 2,052KB] and [CRS Guidance](#) [PDF 1,376KB]

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