

Frequently Asked Questions for FATCACRS

Sr. No.	Query	Solution
1	What is FATCA?	FATCA is an acronym for the United States (US) Foreign Account Tax Compliance Act (FATCA), which was introduced by the US Government in October 2009, but became law as part of the Hiring Incentives to Restore Employment (HIRE) Act on March 18, 2010. FATCA is aimed at ensuring that US persons with financial assets outside of the US pay US tax. The new rules require foreign financial institutions (FFI's) to provide the (IRS) with information on certain investments of U.S. persons invested in accounts outside of the U.S. and for certain non-U.S. entities to provide information about any U.S. owners. In order to implement FATCA norms in India, the Government of India has reached an "in substance" Agreement to sign an Inter-Governmental Agreement (IGA) with the U.S.A.
2	What is CRS?	Alike FATCA, GOI has further committed to implement a Common Reporting Standard (CRS) as part of reciprocal exchange of information on financial accounts on an automatic basis with other countries/ non-sovereign territories. India would be obligated to get its financial institutions to share financial account information of accountholders who are tax residents in any of these countries. Likewise, India would also get similar information through financial institutions of such treaty countries.
3	What is the purpose of FATCA/CRS?	The purpose of FATCA is to prevent US persons from using banks and other financial institutions outside the USA to park their wealth outside US to avoid US taxation on income generated from such wealth. FATCA obliges such banks and financial institutions to report information about US persons having accounts with them. Similar to FATCA, the purpose of CRS is to aid automatic exchange of information between bilateral treaty partner countries about account holders/ investors maintaining accounts in foreign jurisdictions.
4	Who will be covered in the purview of FATCA & CRS?	FATCA legislation will affect both individual and entities customers who are treated as a 'US person' for US tax purposes. The FATCA legislation will also affect certain types of entities with beneficial owners/ controlling persons from US. An account having U.S. indicia like U.S place of birth, U.S. address etc. does not necessarily mean that the account would be reported. However, such accounts would be subjected to closer scrutiny by SVC Cooperative Bank Ltd.
5	Is FATCA/CRS applicable to both personal Accounts and business accounts?	Yes

6	What will be required of SVC Cooperative Bank Ltd.?	<p>The Bank is required to :-</p> <ol style="list-style-type: none"> 1) Undertake certain identification and due diligence procedures involving new customers 2) Fulfill reporting requirements as may be defined by RBI/tax authorities in this regard. Therefore we would be reviewing our existing customer base to confirm our customers' FATCA/CRS status, and where necessary we may contact our customers for further information and documentation.
7	What is the information that is being sought from customers?	<p>The information reported will depend on the classification of the customer under FATCA and CRS. Customers will be expected to provide details such as :</p> <ul style="list-style-type: none"> • Country of Tax residence • Tax Identification Number or functional equivalent from such country • Country of Birth • Country of Citizenship • Father's name (where father's name is not available, PAN is mandatory) • Overseas address <p>In case of Non-individual customers, the above mentioned information of any of the controlling persons will have to be submitted.</p> <p>Please refer OECD website - https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/ for determining TIN/ functional equivalent structure for the respective countries.</p>
8	Will FATCA be applicable to me if am not a US Person?	<p>In general FATCA does not apply to non- US persons. However, if any one of the indicators mentioned below is found, you may be required to provide additional information/documentation to determine if you are a US Person under FATCA.</p> <ul style="list-style-type: none"> • US citizenship or US residence • US place of birth • US address including US PO boxes • US telephone number • Repeating payment instructions to pay amounts to a US address or an account maintained in the US • Current Power of Attorney or signatory authority granted to a person with a US address • If 'Care of' or 'Hold mail' address which is the sole address for the account holder
9	How frequently will Bank seek information for FATCA/CRS purposes?	<p>Bank will seek such information from every new customer as well as existing customer since FATCA/CRS is an ongoing process. If there is a change in the account information, we may be required to contact you to obtain additional</p>

		information/documentation.
10	Will accounts held jointly by reportable person and a non-reportable person considered as reportable?	A joint account which has one tax resident of a relevant foreign country reportable owner is treated as a reportable account and therefore the entire account is subject to the FATCA/CRS legislation.
11	What if any customer refuses to provide the Requisite information?	In case if a new customer refuses to provide the FATCA/CRS Information and documents then he/she may not be allowed to open an account with SVC Cooperative Bank Ltd. While in case of pre-existing customers, such clients/customers will be treated as Recalcitrant Account Holders and be reported to the tax authority as such.
12	What will happen if I do not provide the requested information?	In light of the aforementioned, we urge you to cooperate. For more information on FATCA please visit IRS website - https://www.irs.gov/
13	Where can I find detailed information on FATCA/CRS	You may refer section 285ba of Income Tax Act, 1961 read with rules 114F to 114H of Income Tax Rules, 1962. FATCA and CRS regulations, notices and other related topics are available on the below websites: IRS website - https://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA OECD website - https://www.oecd.org/tax/automatic-exchange/