



November 2019

Frequently Asked Questions to the Scheme Participants of the HSBC Mandatory Provident Fund – SuperTrust Plus and ORSO Schemes

1. What is the CRS?

The Common Reporting Standard (CRS) is a new information-gathering and reporting requirement for financial institutions in participating countries/jurisdictions, to help fight against tax evasion and protect the integrity of tax systems. The CRS framework was developed by the Organisation for Economic Cooperation and Development (OECD).

2. Who is reportable?

The CRS seeks to establish the tax residency of customers. Under the CRS, financial institutions are required to identify customers who appear to be tax resident outside of the country/jurisdiction where they hold their accounts and products, and report certain information to their local tax authorities. The local tax authority may then share that information with the tax authorities where its customers are tax resident.

3. Why is HSBC asking me for my jurisdiction(s) of tax residency?

Under the CRS, we will be liable for reporting on MPF/ORSO account holders and controlling persons who are tax residents of any reportable country/jurisdiction outside of Hong Kong. For example, if you open a new MPF/ORSO account or change your circumstances in some way, we will ask you to certify a number of details about yourself. This process is called 'self-certification' and we are required to collect this information under the CRS.

4. Are all financial institutions doing this?

All financial institutions in Hong Kong, except those exempted, are legally required to comply with the CRS.

5. What information is HSBC asking customers to provide and verify?

The information that we need from you under the CRS requirements, includes but not limited to:

- Name
- Address
- Date of birth (for individual and controlling persons)
- Country(ies) and jurisdiction(s) of tax residence
- Taxpayer identification number(s) or its Functional Equivalent
- Place of registration/incorporation (for entities)
- Entity type (for entities)
- Controlling person type for certain entity types (for controlling persons)

6. How is my tax residence defined?

It depends on where you live and your personal circumstances. Please contact a professional tax advisor or check the OECD CRS portal (<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>) for more information on how to determine your tax residency as HSBC cannot give tax advice.

7. The information I have been asked for on the forms is similar to the information I have been asked for under FATCA (applicable to ORSO scheme participants only). What is the difference between FATCA and CRS?

Even if you have already provided information under the United States Government's Foreign Account Tax Compliance Act (FATCA) you may still need to provide additional information for CRS as these are different regulations with different requirements.

FATCA is a US Law and requires financial institutions to identify US Persons and report in line with FATCA Intergovernmental Agreement signed, based on citizenship. CRS requires financial institutions to identify the tax residency of all our customers and in most cases report information on customers who are tax resident outside Hong Kong where they hold their accounts.

8. I live in the same country/jurisdiction as I pay tax so why do I need to give HSBC these details?

Under CRS, we are required to establish the tax residency status of all our customers, even if you are tax resident in Hong Kong as where you hold your account.

9. How often will I need to provide this information?

Once we have received a completed and valid self-certification, you will only be asked to complete another self-certification when you update certain information on your account, or we believe your reportable status may have changed.

10. Why is HSBC providing tax authorities with my tax details?

HSBC is required to report your tax details under the local CRS legislation.

11. Does HSBC respect my data privacy?

Yes, HSBC respects your data privacy. We will only disclose your information to the relevant tax authorities if we are legally obliged to do so.

12. Is my information safe?

Customer information is protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

13. I have provided HSBC with my details. Why is HSBC asking me for supporting documents?

We are required by law to verify the details you have provided as part of your self-certification. We might ask you for a copy of your passport to verify your identity or for some other evidence of your tax residency declared in your self-certification.

14. What information will be reported to tax authorities?

The information reported to tax authorities would have been provided in the self-certification form, and details about the accounts and products you have with us, including:

- the balance or value
- the total amounts of investment return or payments credited

15. Which countries/jurisdictions are participating in the CRS?

For a list of countries/jurisdictions participating in the CRS, alongside the dates that they start exchanging information, please see the OECD CRS portal (<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/>).

16. Am I required to provide my tax residency details?

Under local legislation, if you have any MPF/ORSO accounts with us, you may receive our request(s) for your tax residency details via letter(s).

To find out more information about CRS, please refer to HSBC Hong Kong CRS website (<https://www.crs.hsbc.com/en/rbwm/hongkong>).

17. Where can I find further information and advice?

For further information on your tax residency, please refer to the rules governing tax residence that have been published by each country's tax authority. You can find out more at:

OECD CRS portal:

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

IRD website regarding the AEOI:

https://www.ird.gov.hk/eng/tax/dta_aeoi.htm

Hong Kong Trustees' Association:

<http://www.hktrustees.com/>