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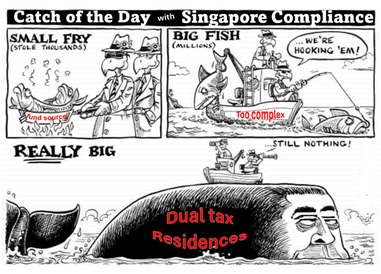


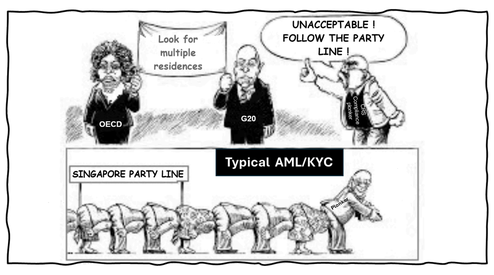
A rip-roaring, lap-slapping retort by compliance officer in Singapore regarding CRS due diligence.

Mark Morris
CRS and CARF expert. No, truly.

September 25, 2024

> Why do Singapore compliance staff generally not seem to follow the CRS addendum published by the OECD in late 2018, warning Financial Institutions that clients may submit documentation reflecting only one jurisdiction favourable to CRS reporting, such as resident in Singapore with a Singapore bank maintaining their account, or to a no tax jurisdiction they procured residency or citizenship?

- What addendum?



> If client submits a Singapore work-permit with Singapore TIN and an appartment lease, are they considered tax-resident in Singapore?

- Yes, but we have right to ask for proof of 183+ days stay in Singapore, or Caribbean place of citizenship.

> Are you aware that 183+ days is a myth regading sole tax residency?

- Crickets and tumble weeds

> Are you aware that it is easy to investigate potential other tax residencies, unmentioned by client?

- Crickets and tumble weeds

> Have you ever investigated potential dual residences using the OECD Model Convention on Tax and Capital's resident tie-breaker factors?

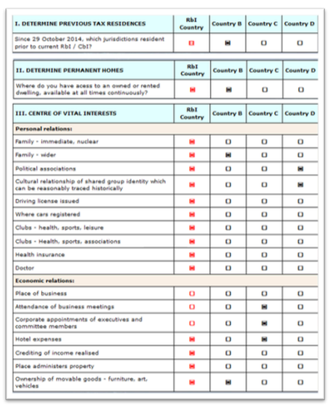
- Crickets and tumble weeds

> Are you aware just having a permanent home elsewhere, available 24/7/365 gives rise to tax-residency in most countries?

- Can we rush this on, I have an important meeting...

> Are you aware that compliance should ask from list of simple questions to determine '*OECD's centre of vital interests*' concerning personal and economic interests to determine possible dual tax residences?

- I have no clue what you're blabbering on about. I never saw this in the Common Reporting Standard literature, and we were never was told this by our AEoI compliance trainers.



I. DETERMINE PREVIOUS TAX RESIDENCES	Rbl Country	Country B	Country C	Country D
Since 29 October 2014, which jurisdictions resident prior to current Rbl / Cbl?	☐	☒	☐	☐

II. DETERMINE PERMANENT HOMES	Rbl Country	Country B	Country C	Country D
Where do you have acess to an owned or rented dwelling, available at all times continuously?	☒	☒	☐	☐

III. CENTRE OF VITAL INTERESTS	Rbl Country	Country B	Country C	Country D
Personal relations:				
Family - immediate, nuclear	☒	☐	☐	☐
Family - wider	☒	☒	☐	☐
Political associations	☒	☐	☐	☒
Cultural relationship of shared group identity which can be reasonably traced historically	☒	☐	☐	☒
Driving license issued	☒	☐	☐	☐
Where cars registered	☒	☐	☐	☐
Clubs - health, sports, leisure	☒	☐	☐	☐
Clubs - Health, sports, associations	☒	☐	☐	☐
Health insurance	☒	☐	☐	☐
Doctor	☒	☐	☐	☐
Economic relations:				
Place of business	☐	☐	☐	☐
Attendance of business meetings	☐	☐	☒	☐
Corporate appointments of executives and committee members	☐	☐	☒	☐
Hotel expenses	☒	☐	☒	☐
Crediting of income realised	☒	☐	☐	☐
Place administers property	☒	☐	☐	☐
Ownership of movable goods - furniture, art, vehicles	☒	☒	☐	☐

> Do you realise that it's not up to compliance to determine the jurisdiction which has the sole taxing rights over your client? CRS reports to all potential tax-resident jurisdictions, without exception, where a client shows indicia that he is resident there. It is up to the client to use the OECD Model Tax Convention on Income and Capital to negotiate with all those countries using the tie-breaker rules, so that he is not taxed multiple times. It is NOT compliance's role to decide that.

- OK, lunch time, I'm outta here....

> Excuse me one, more thing. Why is there no investigation by compliance on likely dual residences for HNWI clients presenting documentation showing they are resident soley and exclusively in Singapore / Caribbean. Isn't that implausible and suspicious?

- Our Government say this is ok

Summary

- Talking to a compliance officer of a Singapore reporting FI about possible dual residence of clients presenting work permit / apartment lease or purchase ...

Stay tuned folks

- Wait till you see this interview "July 2024, Singapore deletes nil value report guidance for settlors of irrevocable trusts, from its CRS guidance, and now refers to Implementation Handbook. So can a nil value still be reported?"
- Warning: 😲 even more of a side-splitting experience

========== END
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