

UK CDOT and Client Impact Frequently Asked Questions

The regulatory environment for tax reporting continues to evolve globally. TTS has a need to maintain compliance with new regulations and engage clients in the process. This document addresses frequently asked questions related to UK CDOT.

What is changing? Effective July 1, 2014, TTS will require a self-certification to be submitted by account holders upon account opening in CBNA London or CBNA Jersey. As result of this regulation, TTS will require the submission of a self-certification (provided we do not already hold a self-certification on file). Additionally, we must solicit existing account holders who opened accounts as of July 1 and obtain the necessary documentation to comply with the regulation.

Why are we making this change? TTS global tax policy for the Cash business is being revised to fully implement due diligence as required under UK and Jersey Government Regulations. To effectively comply with these new rules, TTS Cash will require that a self-certification be collected for accounts opened in these jurisdictions.

What is UK CDOT? The UK signed agreements with the Crown Dependencies (Jersey, Guernsey and Isle of Man) and Overseas Territories (Cayman Islands, Gibraltar, Montserrat, Bermuda, the Turks and Caicos Islands, the British Virgin Islands and Anguilla). The Agreements are based on the Foreign Account Tax Compliance Act (FATCA) agreements each jurisdiction has signed with the US. Among other things, UK CDOT requires Citi to adopt enhanced on-boarding procedures to determine the underlying account-holders country of tax residence.

What is the Common Reporting Standard? The Common Reporting Standard (CRS) is a new tax regulatory initiative being driven by the Organisation for Economic Cooperation and Development ("OECD"). CRS requires financial institutions located in participating jurisdictions to implement due diligence procedures to document and identify reportable accounts under CRS as well as to establish reporting processes on the reportable accounts identified.

More than 50 countries are included in the list of early adopters of CRS and will require new client classification and reporting procedures starting January 1, 2016. Additional OECD-member countries will adopt similar procedures in subsequent years.

When is CRS effective and what is the impact to UK CDOT? CRS reporting commences in 2016 for the early adopter countries and will effectively replace the UK CDOT reporting requirements, but essentially will report similar information required under UK CDOT.

Citi will seek Self Certification Forms (Self Cert) from:

- New Clients opening accounts and/or
- Existing Clients opening accounts for whom a valid self-certification has not already been provided

How do UK CDOT and CRS differ from FATCA?	FATCA's primary objective is to reduce U.S. tax evasion by U.S. taxpayers who invest directly in accounts outside the US or indirectly through the ownership of non-U.S. entities who hold accounts outside the US. There are reporting and withholding implications for clients that are non-compliant under FATCA.
What will Citi do with the information provided by clients?	UK CDOT and CRS focus on local tax residency and add local reporting requirements for participating countries. There is no withholding under UK CDOT or CRS.
If I am not tax resident in any of the countries impacted by CRS or UKCDOT, do I need to complete a self-certification?	Self-certifications will be stored with other account opening and client documentation. Account information may be reported to the local regulatory authorities depending on the information received. Yes. All clients opening accounts in UK CDOT jurisdictions, irrespective of where they are tax resident, must complete a self-certification. Lacking a self-certification, the regulation requires that we presume clients to be a resident of the local jurisdiction and reported as such.
Can clients provide their own version of the self-certification?	No. All Citi Clients need to complete the Citi self-certification to ensure consistency in our due diligence and validation processes.
How does UK CDOT affect general account terms and conditions?	UK CDOT, a requirement of the local jurisdictions, is separate and distinct from any account opening agreement you have signed with Citi.
If I have already provided Citi with a self-certification, do I need to provide a further self-certification each time I open a new Account?	All Clients must submit a self cert. Once provided, it will cover all subsequent accounts being opened for the same entity, providing the Beneficial Ownership of the account is the same as that supplied on the Self Cert. If, however, a client is acting in a different capacity when opening a new account, a new self-certification will need to be provided.
I need to update an address on existing accounts; will a self-certification form be required?	A change of address will not necessarily require completion of a new self cert. Citi will monitor changes to your account details and will contact you if you are required to complete a new self-certification form.
Are there any exceptions to providing a self-certification when opening an account?	No. At this time, a self-certification is required from all Clients opening accounts in the impacted countries. However, Citi may amend processes as new guidelines are issued by the OECD.
How will self-certifications be validated?	TTS is required to perform certain due diligence procedures to determine whether or not a self-certification is complete and reliable in accordance with standards set forth in the Regulations. This process includes a review of information obtained during Citi's know-your-customer and anti-money laundering procedures to ensure consistency with the Self Cert. TTS has largely centralized its tax form due diligence and validation process. In addition, it employs an automated form validation system to ensure consistency in the results.

What happens if the self-certification is completed incorrectly?

You will be informed, via our account services unit and/or your account manager, if the form is incomplete or invalid. Additional documentation may be required to cure the invalid form.

Does the TTS Cash Tax Policy apply retroactively?

Yes. The UK Government has provided for a transition period through June 2016 for financial Institutions to review their clients' accounts opened before July 2014 (pre-existing accounts) and document their tax residency and classification. If such documentation is needed, we will contact clients.

Does the provision of the self-certification cover any requirement for a W8/W9 form to be provided for FATCA compliance?

No. A Form W-8 or W-9 will still be required for FATCA purposes and Citi will be reaching out to applicable customers if such a form is required for any accounts opened prior to January 1st2015. The process to communicate with clients will start in 2Q15.

Who should I contact if I have difficulties in completing these forms?

Generally, you should engage your Tax Advisor. Citi can help with general questions, but cannot provide advice on individual tax matters. If you do have questions, you can email our tax operations team at [Tax Customer Service Team](#).