



Common Reporting Standard (“CRS”) Risk Based Assessment and Investment Funds Reporting



ABU DHABI
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Agenda

**Preparing & submitting
the Risk Based
Assessment (RBA)**

**30 minutes
2:40pm**

Q&As

**30 minutes
3:30pm**



**Introduction &
opening
remarks**

**10 minutes
2:10pm**

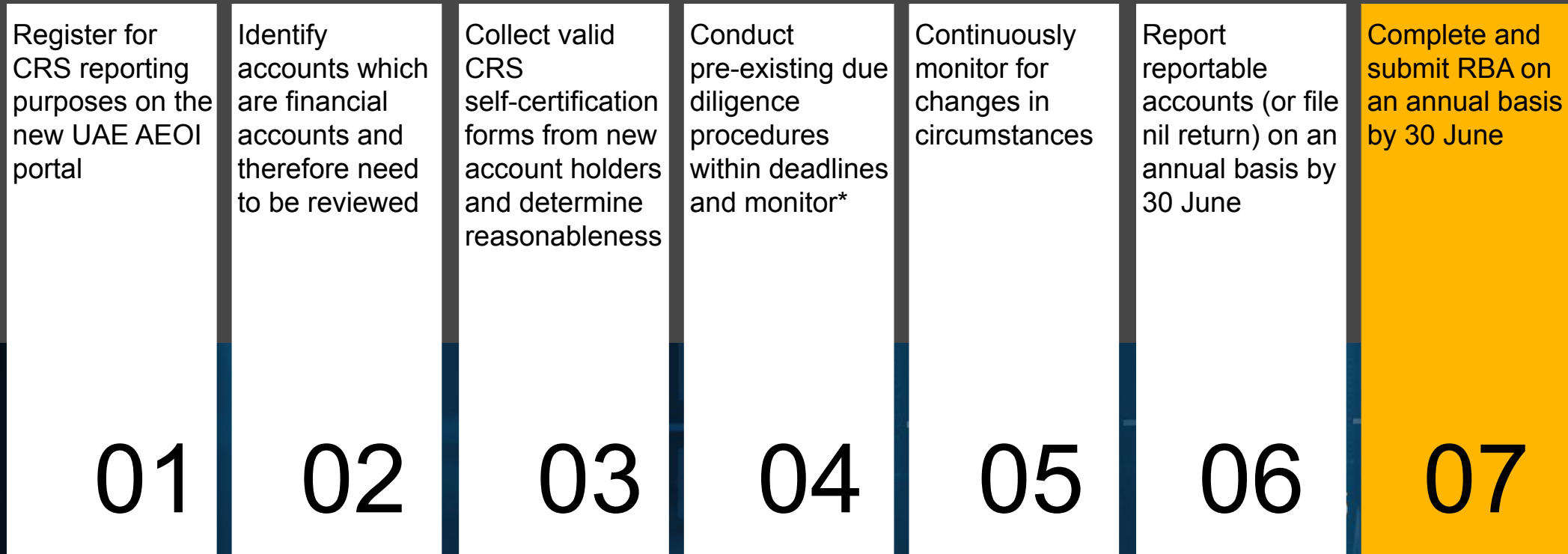
**Investment Funds
reporting: illustrative
examples and reporting
obligations**

**20 minutes
3:00pm**

Introduction & opening remarks

01

ADGM RFI obligations



*only applicable for RFIs that maintain pre-existing accounts

Preparing & submitting the CRS Risk Based Assessment (RBA)

02



Process workflow for Risk Based Assessment submission



1

Maker user to navigate to the risk assessment tab in the AEOI Portal.

2

Maker user can view the questions being requested to respond to and perform an assessment regarding the most appropriate response.

3

Maker user to complete and submit RBA questionnaire in the portal for review by Checker user.

4

Once submitted by Maker user, the Checker user must approve or reject the RBA completed by the Maker user.



Risk Based Assessment questionnaire

- There are thirteen (13) questions and each question contains multiple answers.
- ADGM RFIs must complete all questions (unless otherwise mentioned) and for each question (1-13) ADGM RFIs must select the most appropriate answer by confirming "Y".
- Only answer "Y" for one multiple answer.

Topic	Question	Multiple Answers
1. New Account Onboarding	Has the RFI obtained a valid and reasonable CRS self-certification form for all new accounts during the reporting period, in line with CRS onboarding requirements? <i>This may be part of the account opening documentation that allows the RFI to determine whether the Account Holder is reportable under the CRS for all new accounts (or relied upon publicly available information for certain New Entity accounts).</i>	1.1 The RFI did not obtain CRS self-certification form(s) for applicable new accounts opened during the reporting period.
		1.2 The RFI did obtain CRS self-certification forms in some cases but not all cases for applicable new accounts opened during the reporting period.
		1.3 The RFI did obtain CRS self-certification form(s) for all applicable new accounts opened during the reportable period.
		1.4 The RFI did obtain CRS self-certification form(s) for all applicable new accounts opened during the reportable period. This has been tested and verified either by an internal review or external review.
		1.5 The RFI does not maintain Financial Accounts and therefore is not required to obtain CRS self-certification form(s) for all applicable new accounts opened during the reportable period.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
2. Pre-existing Account Due Diligence [Individuals and/or Entities] <i>*A pre-existing individual and/or entity account in the UAE is any account opened before 1 January 2017.</i>	Has the RFI completed all CRS due diligence procedures during or before the reporting period (if applicable) as follows:	2.1 The RFI did not complete the applicable pre-existing due diligence procedures.
		2.2 The RFI did start the applicable pre-existing due diligence procedures but has not finalized all the applicable pre-existing due diligence procedures.
	A. CRS Pre-existing Lower Value Individual due diligence (if applicable);	2.3 The RFI completed the applicable pre-existing due diligence procedures for all the applicable accounts.
	A. CRS Pre-existing Entity due diligence (if applicable); and/or	2.4 The RFI completed the applicable pre-existing due diligence procedures for all the applicable accounts. This has been tested and verified either by an internal review or external review.
	A. CRS Pre-existing High Value Individual due diligence (if applicable)?	2.5 The RFI is not in scope to conduct the applicable due diligence as the RFI did not maintain Pre-Existing accounts.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
3. Monitoring for a change in circumstances [Individuals and/or Entities]	Has the RFI monitored for a change in circumstances in respect of all applicable Account Holders in line with the CRS requirements for the reporting period?	3.1 The RFI did not have a process in place for monitoring Account Holder information for the purposes of monitoring change in circumstances during the reporting period.
		3.2 The RFI did begin the process of implementing monitoring Account Holder information for changes in circumstances, but it did not monitor for a change in circumstances during the reporting period.
		3.3 The RFI did implement a process for monitoring account holder information for a change in circumstance during the reporting period.
		3.4 The RFI did implement a process for monitoring account holder information for a change in circumstance during the reporting period. This has been tested and verified either by an internal review or external review.
		3.5 The RFI is not in scope to monitor for a change in circumstances as the RFI did not maintain Financial Accounts for the reporting period.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
4. Reporting [Individuals and/or Entities]	Has the RFI implemented reporting procedures when determining the CRS reportable population (including review and sign off during preparation of the annual return and determination of nil return) for the reporting period?	4.1 The RFI has not implemented formal documented reporting procedures and therefore there is a risk the CRS reportable population (or nil return determination) has not been correctly determined for the reporting period.
		4.2 The RFI is in the process of implementing formal documented reporting procedures but has not yet done so and therefore there is a risk the CRS reportable population (or nil return determination) has not been correctly determined for the reporting period.
		4.3 The RFI has implemented a formal documented process to determine the CRS reportable population (or nil return determination) for the reporting period.
		4.4 The RFI has implemented a formal documented process to determine the CRS reportable population (or nil return determination) for the reporting period. This has been tested and verified either by an internal review or external review.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
5. Policy, procedures and associated documentation	Has the RFI maintained policy and procedure documents covering key areas of the CRS programme (including new account onboarding, pre-existing account due diligence, monitoring for a change in circumstances, reporting, governance, training etc.) during the reporting period?	5.1 The RFI did not maintain policy and procedures across impacted functions of the RFI during the reporting period.
		5.2 The RFI did maintain policy and procedures, but these have not yet been communicated/implemented across the impacted functions of the RFI during the reporting period.
		5.3 The RFI does maintain policy and procedures and these have been communicated/implemented across the impacted functions of the RFI during the reporting period.
		5.4 The RFI does maintain policy and procedures and these have been communicated/implemented across the impacted functions of the RFI during the reporting period. This has been tested and verified either by an internal review or external review.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
6. IT and computerized systems environment	Has the RFI's IT and computerized systems been updated to capture the relevant data elements for CRS purposes in order to determine the CRS reportable status of the account holder (e.g. jurisdiction of tax residency(ies), Tax Identification Number(s) ("TIN"), CRS entity classification (in case of Entity Account Holders) etc.) during the reporting period?	6.1 The RFI's IT and computerized systems do not capture all the relevant data elements for CRS purposes, the RFI largely relied upon manual records during the reporting period.
		6.2 The RFI is in the process of implementing an update to IT and computerized systems to capture relevant data elements for CRS purposes, but has not finalized this process yet and therefore reliant upon manual records during the reporting period.
		6.3 The RFI has updated IT and computerized systems to capture relevant data elements for CRS purposes and therefore relied upon IT and computerized systems during the reporting period.
		6.4 The RFI has updated IT and computerized systems to capture relevant data elements for CRS purposes and therefore relied upon IT and computerized systems during the reporting period. This has been tested and verified either by an internal review or external review.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
7. Governance and resources	Has the RFI designated experienced resource(s) for CRS compliance matters during the reporting period?	7.1 The RFI had no allocated/designated resource(s) for CRS compliance during the reporting period.
	<i>Third party service providers could form a part of the designated experienced resources during the reporting period when third party service providers are used to fulfil the obligations on behalf of the RFI.</i>	7.2 The RFI had no allocated/designated resource(s) for CRS compliance during the reporting period but the RFI is in the process of assigning allocated/designated resource(s) responsible for CRS compliance.
		7.3 The RFI had allocated and designated resource(s) for CRS compliance during the reporting period.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
8. Training programme	Has the RFI conducted frequent CRS training sessions for existing and new employees where CRS is relevant to their role during the reporting period?	8.1 The RFI did not conduct CRS training to existing and new employees during the reporting period.
		8.2 The RFI did conduct CRS training for its existing employees during the reporting period but did not perform CRS induction training for new employees.
		8.3 The RFI did conduct CRS training for both its existing and new employees during the reporting period, but the RFI did not maintain training records.
		8.4 The RFI did conduct CRS training for both its existing and new employees during the reporting period and the RFI did maintain training records.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
9. Compliance	Has the RFI received an inquiry, notification or penalty (including any other enforcement measure) indicating non compliance with CRS for any of the previous reporting periods?	9.1 The RFI did receive an inquiry or notification indicating non compliance with the CRS for at least one previous reporting period and did not resolve the issue during the reporting period.
		9.2 The RFI did receive an inquiry or notification indicating non compliance with the CRS for at least one previous reporting period and resolved the issues indicated during the reporting period.
		9.3 The RFI has never received an inquiry, notification or penalty (including any other enforcement measure) indicating non compliance with CRS for any reporting periods.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
10. Use of reasonable efforts to obtain TINs	With respect to all CRS Reportable Accounts (individual and/or entity account holders and Controlling Persons of Passive NFEs) that are reportable for the reporting period, for those account holders that are tax resident in jurisdictions that automatically issue TINs to all residents for tax purposes, where the TIN could not be validated, has the RFI used reasonable efforts to obtain a new TIN from the account holder?	10.1 The RFI did not use reasonable efforts to obtain a TIN for CRS Reportable Persons (individual and or/entity account holders and Controlling Persons of Passive NFEs) for the reporting period.
		10.2 The RFI did not use reasonable efforts to obtain a TIN for CRS Reportable Persons (individual and or/entity account holders and Controlling Persons of Passive NFEs) in all cases but did in some cases for accounts for the reporting period.
		10.3 The RFI used reasonable efforts in all cases to obtain a TIN for CRS Reportable Persons (individual and or/entity account holders and Controlling Persons of Passive NFEs) for accounts for the reporting period.
		10.4 The RFI did not maintain CRS Reportable Accounts for the reporting period and therefore has not been required to use reasonable efforts to obtain a TIN.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
11. Validation of TINs obtained	With respect to all CRS Reportable Accounts (individual and/or entity account holders and Controlling Persons of Passive NFEs) that are reportable for the reporting period, has the RFI validated TINs in line with the correct jurisdiction-specific TIN format for each jurisdiction of tax residence in which the TIN(s) relates to?	11.1 The RFI did not review and validate TINs for CRS Reportable Persons (individual and or/entity account holders (and Controlling Persons of Passive NFEs)) for accounts for the reporting period.
		11.2 The RFI reviewed some but not all TINs on file with respect to CRS Reportable Persons (individual and or/entity account holders (and Controlling Persons of Passive NFEs)) for accounts during reporting period.
		11.3 The RFI reviewed all TINs on file with respect to all CRS Reportable Persons (individual and or/entity account holders (and Controlling Persons of Passive NFEs)) for accounts during the reporting period.
		11.4 The RFI did not maintain CRS Reportable Accounts for the reporting period and therefore has not been required to validate TINs.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
12. Identification of Residence by Investment (RBI) schemes and application of enhanced due diligence procedures	Has the RFI implemented procedures to determine whether a New Individual account holder is potentially claiming residence in the UAE through an RBI scheme and therefore applying enhanced due diligence for such accounts during the reporting period?	12.1 The RFI did not implement procedures to identify where a New Individual account holder is potentially claiming tax residence in the UAE through an RBI scheme and therefore the RFI did not apply enhanced due diligence for the reporting period.
		12.2 The RFI is in the process of developing and implementing procedures to identify where a New Individual account holder is potentially claiming tax residence in the UAE through an RBI scheme and therefore the RFI did not apply enhanced due diligence for the reporting period.
		12.3 The RFI did develop and implemented procedures to identify where a New Individual account holder is potentially claiming tax residence in the UAE through an RBI scheme and therefore the RFI did apply enhanced due diligence for the reporting period.
		12.4 The RFI did not maintain Financial Accounts for New Individual account holders and therefore has not been required to implement such procedures for the reporting period.

Risk Based Assessment questionnaire (cont'd)



Topic	Question	Multiple Answers
13. Reporting of undocumented accounts	Has the RFI identified and has either reported or will report undocumented accounts (as defined by the CRS) for the reporting period?	13.1 The RFI did not develop and implement a process to identify undocumented accounts for the reporting period.
		13.2 The RFI did develop a process to identify undocumented accounts but did not implement such process for the reporting period.
		13.3 The RFI did develop and implement a process to identify and report undocumented accounts for the reporting period.
		13.4 The RFI did not maintain Financial Accounts and therefore has not been required to develop and implement such procedures for the reporting period.

Investment Funds reporting: illustrative examples and reporting obligations

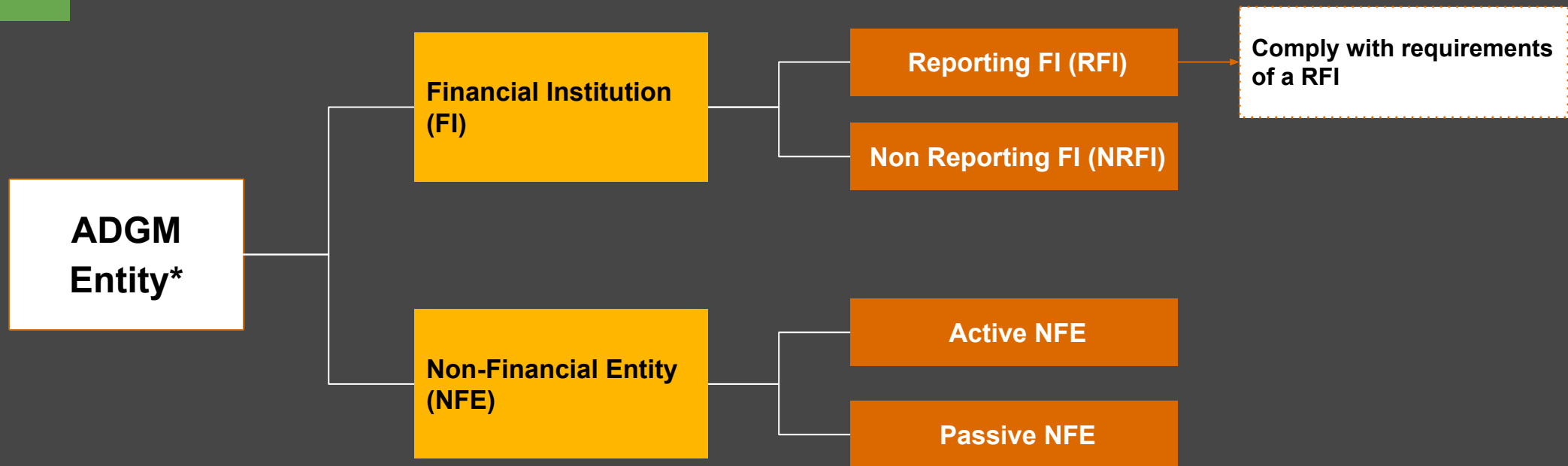
04



Legal Entity Classifications - Categories under CRS



CRS



*Entity - consists of legal persons and legal arrangements, such as corporations, partnerships, trusts, and foundations.

ADGM entities in scope for CRS - Reporting Financial Institutions (RFIs)



Investment Entity

Type A: Means any entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer: (i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; (ii) individual and collective portfolio management; or (iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons.

Type B: The gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity.

Depository Institution

Means any Entity that accepts deposits in the ordinary course of a banking or similar business.

Custodial Institution

Means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others

Specified Insurance Company

Means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

But not...

Non Reporting Financial Institutions (CRS)

1. Government entities and their pension funds
2. International organisations
3. Central banks
4. Certain retirement funds
5. Qualified credit card Issuers
6. Exempt collective investment vehicles
7. Trustee documented trusts
8. Other low-risk financial institutions (non defined under UAE law)

ADGM FIs must determine products and services which are Financial Accounts under CRS

Equity and debt interest in certain Investment Entities

Means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust.

Generally Includes Debt and Equity Interests and their equivalents, such as interests in partnership and trust.

This includes equity interest in funds.

Depository Account

Includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business.

Generally includes checking and savings accounts.

Custodial Account

Means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

Cash Value Insurance Contract and Annuity Contract

A cash value contract means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value. An Annuity Contract means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals.

Generally contracts: insuring against mortality, morbidity, accident, liability, or property risk that has a cash value; and contracts where payments are made for a period of time determined in whole or part by life expectancy.

But not...

Excluded Accounts under CRS

1. Retirement and pension accounts
2. Non-retirement tax-favoured accounts
3. Term Life Insurance Contracts
4. Estate accounts
5. Escrow accounts
6. Depository Accounts due to not returned overpayments
7. Other Low-risk excluded accounts (not defined for UAE)

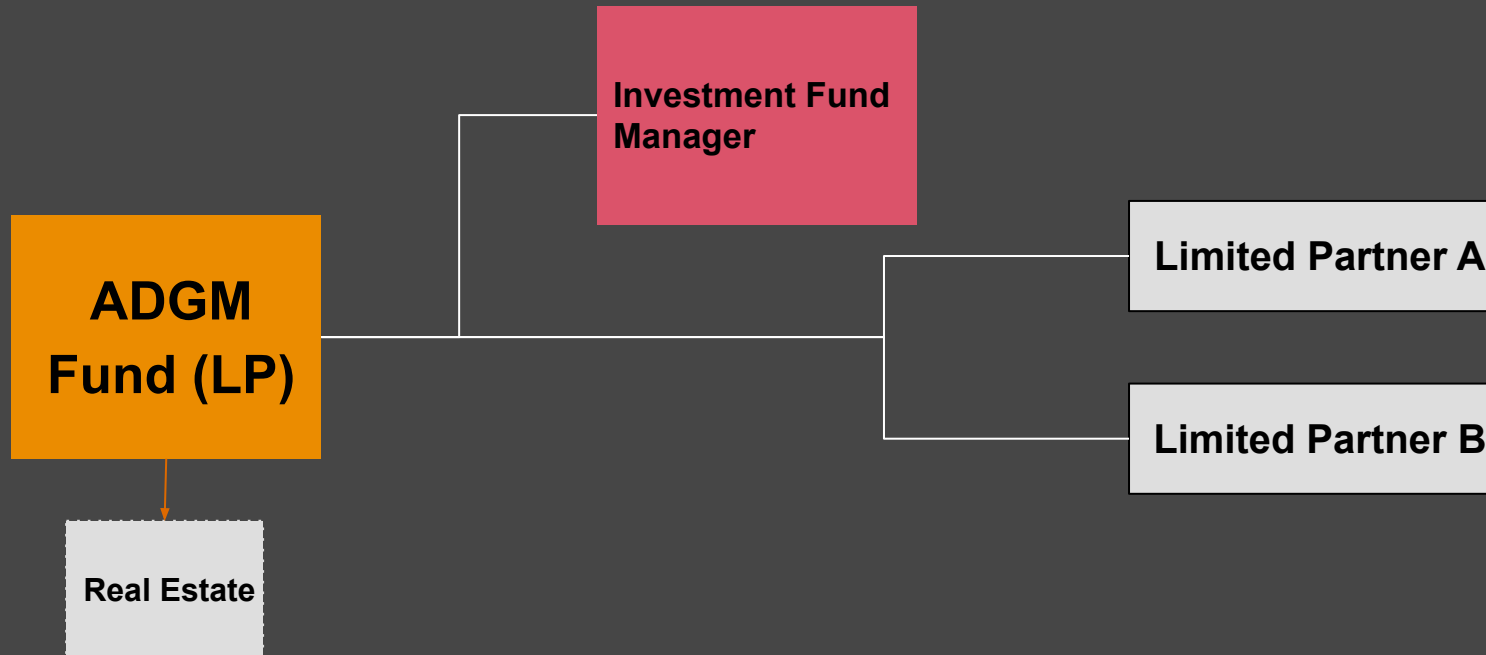
Financial Assets definition

Financial Asset

The term “Financial Asset” includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. ***The term “Financial Asset” does not include a non-debt, direct interest in real property.***

Investment Funds reporting: illustrative examples and reporting obligations

Example 1 - Real Estate

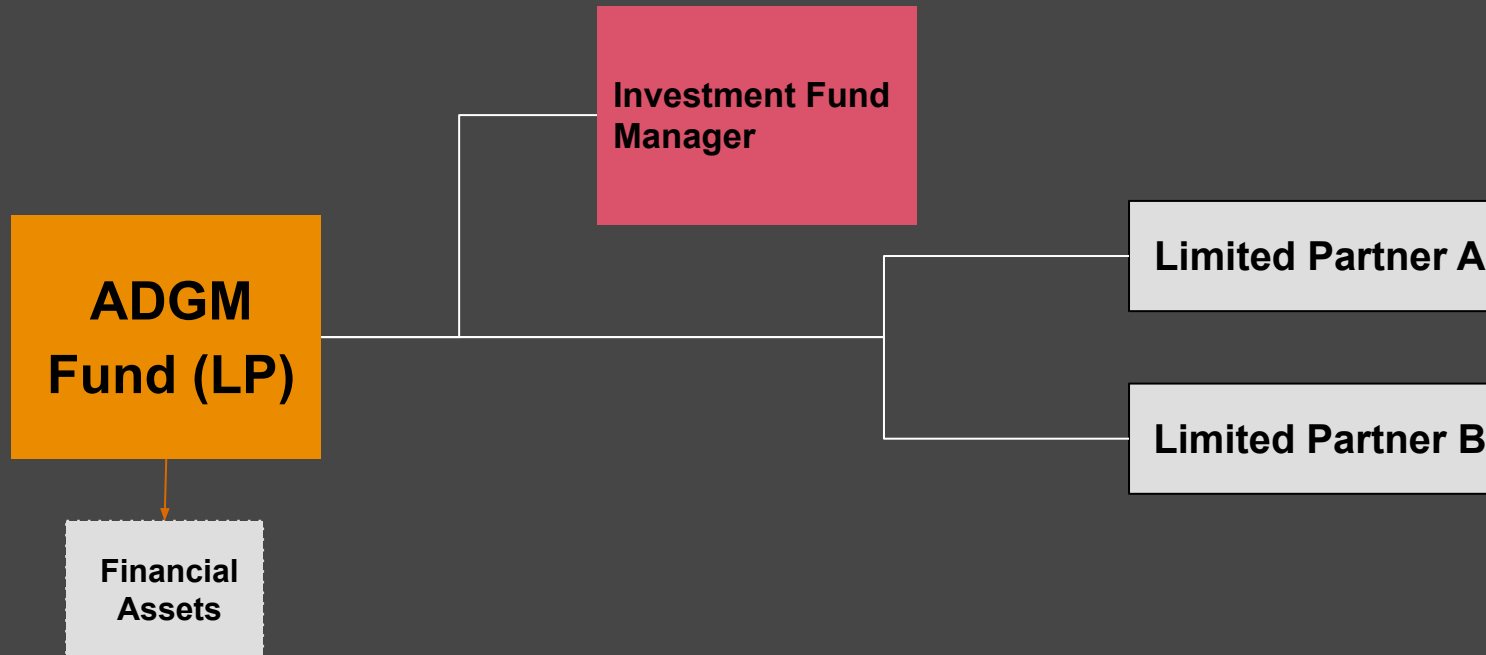


- ADGM Fund has appointed the Investment Fund Manager to manage investments.
- ADGM Fund has invested in Real Estate Assets (e.g. land / properties).
- **ADGM Fund is likely to be classified as a Passive NFE.**
- ADGM Fund will not have any reporting requirements.

- The Investment Fund Manager has been appointed to manage the Real Estate assets of ADGM Fund.
- **The Investment Fund Manager is likely to be classified as an NFE.**
- Investment Fund Manager will not have any reporting requirements.

Investment Funds reporting: illustrative examples and reporting obligations

Example 2 - Equities

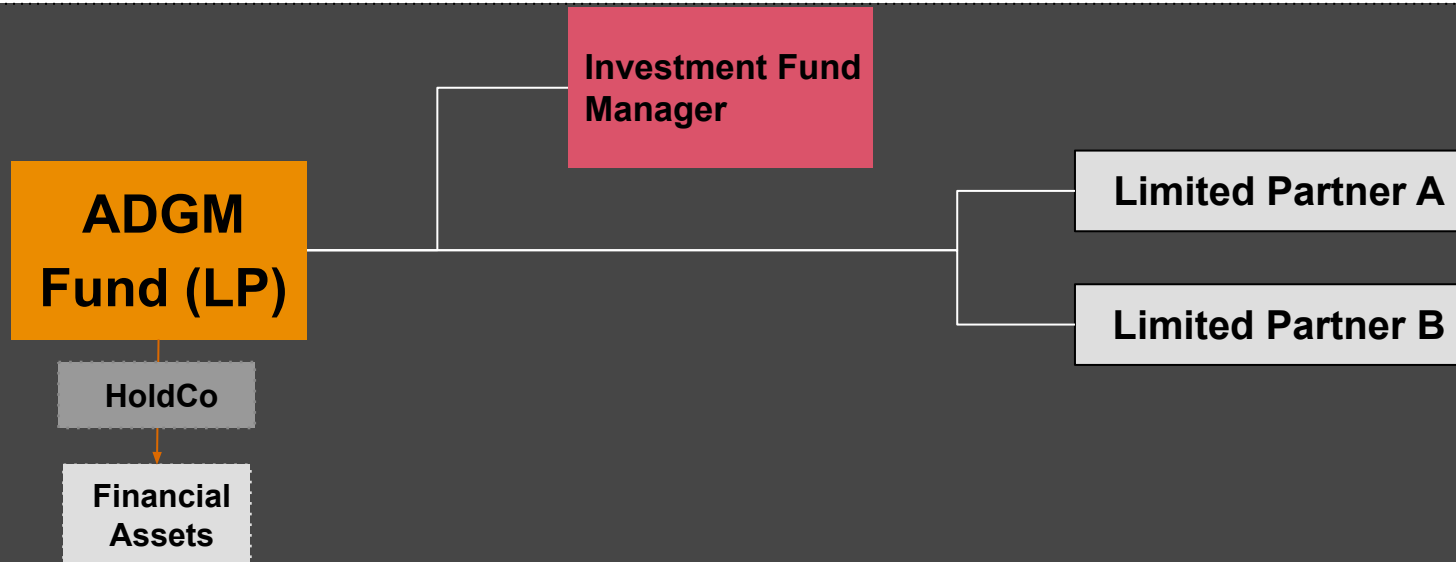


- ADGM Fund has appointed the Investment Fund Manager to manage investments.
- ADGM Fund has invested in Equities.
- **ADGM Fund is likely to be classified as an Investment Entity - Reporting Financial Institution.**
- ADGM Fund maintains financial accounts, therefore will be required to report an annual return.

- The Investment Fund Manager has been appointed to manage the assets of ADGM Fund.
- **The Investment Fund Manager is likely to be classified as an Investment Entity - Reporting Financial Institution by virtue of being an investment manager.**
- If the Investment Fund Manager does not maintain Financial Accounts, it will be required to report a nil return.

Investment Funds reporting: illustrative examples and reporting obligations

Example 3 - HoldCo



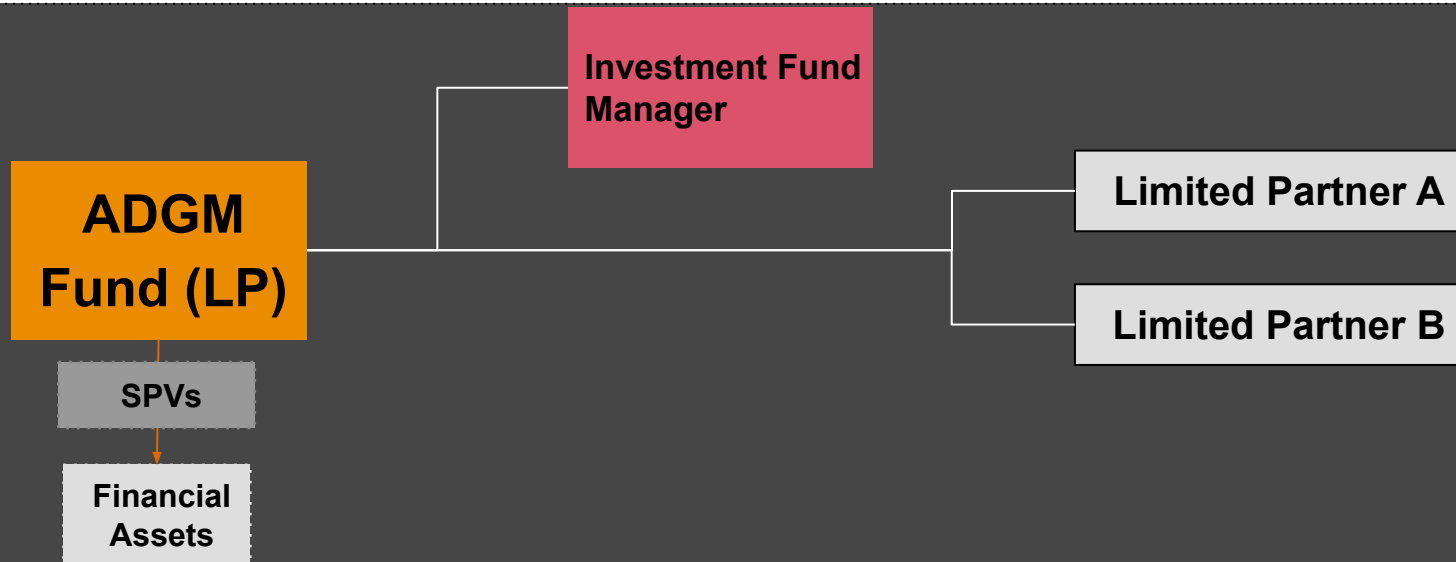
- ADGM Fund has appointed the Investment Fund Manager to manage investments.
- ADGM Fund has invested in Equities.
- **ADGM Fund is likely to fall under the definition of an Investment Entity - Reporting FI.**
- *ADGM Fund maintains financial accounts, therefore will be required to report an annual return.*

- Holdco's income is expected to be generated from the underlying investments held (i.e. dividends) and this is expected to be passive in nature.
- SPV is likely to fall under the definition an Investment Entity - Reporting Financial Institution and it will be required to report a nil return.

- The Investment Fund Manager has been appointed to manage the assets of ADGM Fund.
- ***The Investment Fund Manager is likely to be classified as an Investment Entity - Reporting Financial Institution by virtue of being an investment manager.***
- If the Investment Fund Manager does not maintain Financial Accounts, it will be required to report a nil return.

Investment Funds reporting: illustrative examples and reporting obligations

Example 4 - SPVs



- ADGM Fund has appointed the Investment Fund Manager to manage investments.
- ADGM Fund has invested in Equities.
- **ADGM Fund is likely to fall under the definition of an Investment Entity - Reporting FI.**
- *ADGM Fund maintains financial accounts, therefore will be required to report an annual return.*

- The primary purpose of the SPV is to act as an investment holding company to channel the investments from LP;
- SPV's income is expected to be generated from the underlying investments held (i.e. dividends) and this is expected to be passive in nature.
- SPV is likely to fall under the definition an Investment Entity - Reporting Financial Institution and it will be required to report a nil return.

- The Investment Fund Manager has been appointed to manage the assets of ADGM Fund.
- **The Investment Fund Manager is likely to be classified as an Investment Entity - Reporting Financial Institution by virtue of being an investment manager.**
- *If the Investment Fund Manager does not maintain Financial Accounts, it will be required to report a nil return.*

The background is a grayscale photograph of a hand holding a pen, poised to write on a document. The document features a bar chart with several vertical bars of varying heights. In the top right corner, there is a decorative graphic consisting of several overlapping triangles in shades of orange and yellow. A semi-transparent dark gray rectangle is positioned on the left side of the image, containing the text 'Q&As' and '03' in white. A solid orange rectangle is located at the bottom center of the image.

Q&As

03



Thank you



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