



Common Reporting Standard: Australian domestic reporting system

Background

The Common Reporting Standard (CRS) is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Under it, banks and other financial institutions will collect and report to us financial account information on non-residents. We will exchange this information with the participating foreign tax authorities of those non-residents. In parallel, we will receive financial account information on Australian residents from other countries' tax authorities. This exchange of information will help ensure that Australian residents with financial accounts in other countries are complying with Australian tax law and act as a deterrent to tax evasion.

The CRS legislation, [Tax Laws Amendment \(Implementation of the Common Reporting Standard\) Act 2016](#), received Royal Assent on 18 March 2016 and will take effect on 1 July 2017. The first international exchange of information will occur in 2018.

Previous consultations

In July 2015 we issued a consultation paper on the proposed domestic reporting system of CRS data within Australia. A survey followed in October 2015 to gather more detailed information about the technical capabilities and preferences of reporters and intermediaries.

Since that time, in collaboration with the Software Industry Partnership Office, we have held a number of meetings with reporters and representatives of the software industry on this subject.

For more information on our consultation visit the [CRS Let's Talk website](#).

Domestic Reporting

The CRS wider approach

The ATO has adopted the CRS wider approach. Under this approach domestic reporters will be required to report the financial accounts of all non-residents as per the due diligence rules. The wider approach will enhance the efficiency and effectiveness of the CRS by ensuring reporters do not need to change internal processes each time a new jurisdiction commits to the CRS.

The reporting file format

To reduce compliance costs and leverage existing systems and processes, Australia has adopted the OECD developed CRS XML Schema v1.0 as the domestic reporting format for the CRS.

A schema is a data structure for holding and transmitting information electronically and in bulk. Extensible mark-up language (XML) is commonly used for this purpose and allows the reporting of information under the CRS in a standardised manner, enabling automation and interoperability across a variety of systems.

The OECD's CRS user guide explains the information required to be included in each CRS data element to be reported in the schema.

To view the OECD's CRS XML Schema and User Guide visit the [OECD website](#).

Reporting channels

CRS domestic reporting will primarily be supported through secure file lodgments via the ATO Online Business and Tax Agent portals. These portals use an approved business identity credential such as [AUSkey](#) for reporter or intermediary authentication. Both CRS and FATCA XML Schema compliant files can be lodged this way. We are looking to support domestic CRS and FATCA reporting through the use of SBR enabled business management software in the future.

For small volume reporters we will provide a secure web interface in the ATO Online Business and Tax Agent portals. This will allow small volumes of both CRS and FATCA XML Schema compliant information to be entered manually.

Test dates for reporting channels

Testing of the CRS domestic reporting system is expected to occur in the second half of 2017.

Lodgment dates

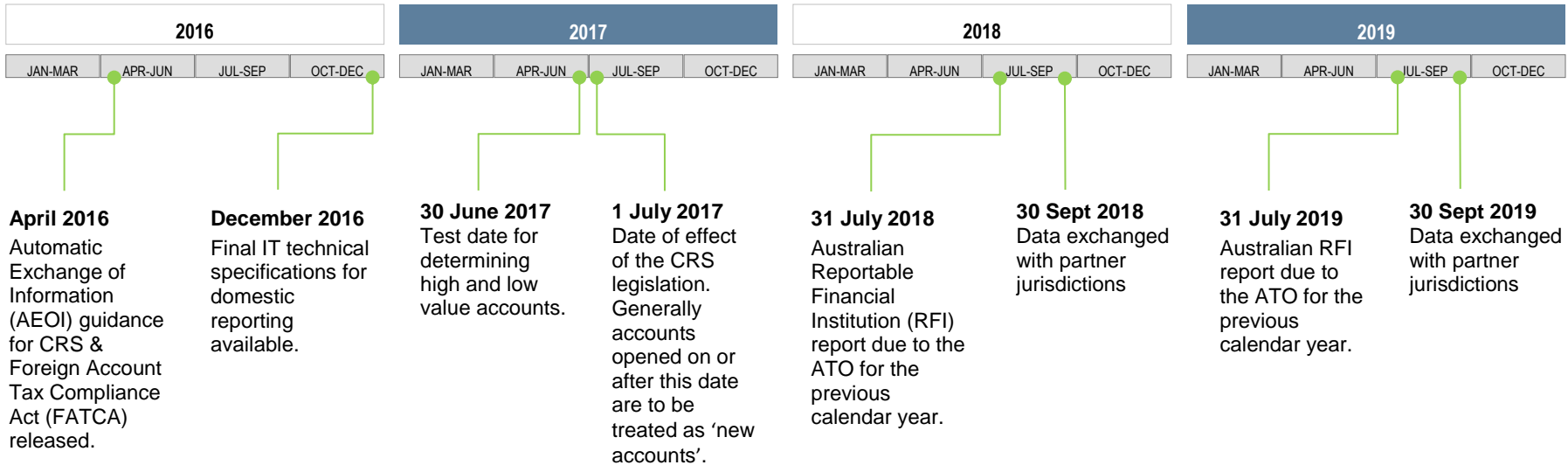
CRS data from Reportable Financial Institutions (RFIs) is to be lodged annually, for the previous calendar year. The initial lodgment will cover the 6 months 1 July 2017 to 31 December 2017. Thereafter reports will cover the full calendar year.

The first report from RFIs will be due by 31 July 2018; Thereafter CRS reports will be due to the ATO no later than 31 July each calendar year.

More information

For more information on the CRS, or to view the Automatic Exchange of Information Guidance material, please visit ato.gov.au/CRS or contact the CRS Project Team by emailing CRS@ato.gov.au

Expected Implementation Timeline



Note

For the first CRS reporting period, where reports are due to the ATO on 31 July 2018, the report data is for the 6 months 1 July 2017 to 31 December 2017. Thereafter reports will cover the full calendar year.

Account type	High/Low-value test date	Due diligence completion and reporting date
Individual account		
• Pre-existing Low value	30 June 2017	31 July 2019
• Pre-existing High-value	30 June 2017	31 July 2018
Pre-existing entity account	n/a	31 July 2018