

Please scan the QR code below in order to submit your online Tax Residency Declaration to Mallow Credit Union Limited:



You can also download printable Tax Residency Declaration Form from Mallow Credit Union Ltd website under <https://www.mallowcu.ie/downloads/>

What is the CRS?

The Common Reporting Standard (CRS) is a globally co-ordinated approach to the disclosure of financial account information in respect of individuals and organisations in order to combat tax avoidance. CRS imposes obligations on financial institutions (FIs) including Mallow Limited, to review and collect information to identify an account holder's country of tax residence and then provide certain account information to the Irish Revenue Commissioners (IRC).

Background to CRS

CRS was approved by the Organisation for Economic Cooperation and Development (OECD) in July 2014. A number of jurisdictions have committed to implementing CRS with a subset of the participating jurisdictions, including Ireland, signed up to be 'early adopters', i.e. adopting the CRS reporting rules with effect from 1 January 2016. Other participating jurisdictions will follow in 2017 and subsequent years. Section 891F of the Taxes Consolidation Act 1997 implements CRS under Irish Law.

For Mallow Credit Union this means that all accounts opened from 1 January 2016 will have to capture new details from a member such as the member's tax residency, Tax Identification Number (TIN) and date of birth, which may be required to be reported, along with some account details (including the account number, account balance or value and certain gross amounts paid or credited to the account), to the IRC from 2017.

The credit union will also be required to review any accounts in existence as of 31 December 2015 to determine if they are reportable and, if so, provide this information to the IRC. The IRC will then separate out the information received by jurisdiction and will report the members details to other participating CRS jurisdictions.

What does it mean for you?

CRS introduces important new obligations that you need to be aware of.

When opening personal accounts from 1 January 2016 onwards, the credit union must obtain self-certification from the member as part of the account opening documentation. This self-certification is required to (a) determine the account holders' residence(s) for tax purposes, and (b) obtain the applicable foreign TINs if appropriate. The financial institution must also confirm the reasonableness of the self-certification based on information obtained in connection with the account opening.

If a member has a non-Irish tax residency and does not provide us with a foreign TIN, we cannot open the account.

This agreement is separate to The Foreign Account Tax Compliance Act (FATCA) which relates only to members who are citizens of the United States or are resident for tax purposes in the United States. CRS will report on a wider range of tax residency jurisdictions. The current process for asking and recording FATCA questions for personal customers will continue to be followed. The process outlined above is an additional mandatory step for capturing CRS information for personal customers

Irish Revenue Commissioners Automatic Exchange of information web page

OECD Automatic Exchange of Information Portal.

Mallow Credit Union Limited is not liable for the accuracy of the information contained on any third-party website.

What is the CRS Personal Self-Certification Form?

The Common Reporting Standard (CRS) self-certification form is a document that individuals must complete to provide information about their tax residency status. This form is used by financial institutions to comply with international tax reporting obligations.

Disclaimer

In accordance with the Foreign Account Tax Compliance Act ('FATCA') and the OECD Common Reporting Standard ('CRS'), Mallow Credit Union Limited may be required to report certain account holder details to the Irish Revenue Commissioners who may, in turn, share this information with tax authorities in the relevant jurisdictions. Please note that the credit union does not provide tax advice and will not be liable for any errors contained in the self-certification form. If you have any questions about FATCA/CRS, you should contact your tax advisor or the Irish Revenue Commissioners.

Reduction of Revenue Reporting threshold from €635 to €300

The Return of Payments (Banks, Building Societies, Credit Unions and Savings Banks) Regulations 2008 (as amended) provides for the automatic reporting by credit unions and other financial institutions details of members/customers to whom they have made payments of dividend/interest.

Each year since 2009 the threshold amount for reporting by Mallow Credit Union Ltd. This meant that any dividend paid to members in excess of €635 was reported to Revenue by 31st March of the following year.

Resulting from the general reduction in dividend and interest rates nationally, the number of accounts meeting the reporting threshold has fallen. As this has been a very important source of information for Revenue, their office sought a reduction in the annual reporting threshold from €635 to €300.

Accordingly, in February 2015, the Statutory Instrument to reduce the reporting threshold from €635 to €300 was signed into law.

The 2014 Budget contained the following provisions regarding Deposit Interest Retention Tax (DIRT):

With effect from 1st January 2014 all Credit Union share dividend and deposit interest paid to members will be subject to DIRT, with the exception of dividend or interest paid to members who are exempt from DIRT. The only members who can be exempt are.

Members aged over 65 whose total income is less than the relevant limit currently €18,000 for an individual and €36,000 for a married couple. For married couples, only one of the spouses needs to be over 65. To avail of this exemption, you must sign a self-declaration form DE 1. This form is available in your credit union and is a declaration that you (or your spouse) are aged over 65 and that your total income is less than the relevant limit.

Members who are permanently incapacitated: Such members should either contact their local Revenue Commissioners office directly or contact a service body such as the Irish Wheelchair Association. Credit Unions have no role in approving the exemption in these cases.

If you do not complete the self-declaration form DE1, the credit union will be obliged to deduct DIRT from your dividend or interest. You will then have to apply directly to the Revenue Commissioners for a refund of this DIRT (if you are eligible).

In addition to the above, the tax-free limits applicable to share dividend and deposit interest in Special Term Accounts have been removed and will not apply to Special Term Accounts opened on or after 16th October 2013. Existing Special Term Accounts can continue to avail of the tax-free amount for the remainder of their term.