Friends Provident International

Automatic Exchange of Information

Frequently asked questions

Q What is Automatic Exchange of Information (AEOI)?

A The Automatic Exchange of Information is the United States Foreign Account Tax Compliance Act (FATCA) and the Organisation of Economic Cooperation and Development (OECD) Common Reporting Standards (CRS).

Q When did AEOI start?

A FATCA started on 1 July 2014.CRS started on 1 January 2016.

Q Do all Financial Institutions have to provide information under AEOI?

A Yes. We require information from all policyholders, entities and controlling persons regardless of the country/countries of residence for tax purposes.

Q Which jurisdictions have signed up for AEOI?

A For a list of countries who have signed up for AEOI, please visit https://www.oecd.org/tax/automatic-exchange/

Q Will you send information to the US Internal Revenue Services (IRS)?

A No. We do not send information directly to the IRS. We send information on owners and controlling persons that are US Specified Persons to the relevant competent tax authority* who may exchange this information with the IRS.

Q What is a US Specified Person?

A US Specified Person means a US citizen or tax resident individual, who either holds a US Passport, a US Green Card, has a US residential and/or correspondence address or who was born in the US and has not yet renounced their US citizenship. More information on FATCA can be found at https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca

Q What information do you report to the relevant competent tax authority?*

A On an annual basis we will report the following:

Information about the Owner(s)/Controlling Persons

- Full Name
- Residential address
- Date of birth
- Countries of residence for tax purposes
- Tax Identification Number(s) (TIN) or functional equivalent(s)

Information about the plan

- The plan number
- Surrender value as at 31 December each reportable year (1 January to 31 December).
- Any payments made from a plan in the reportable year

Q What are controlling persons?

A Controlling persons means a natural person who exercises control over an Entity. For a Trust, this would be the Settlor(s), Protector(s), Trustees and for some types of trusts, the Named Beneficiaries. For companies/ partnerships, this would be Directors and Shareholders with 25% or more shareholding. Please read our AEOI Definitions for more information.

Q I have a plan with Friends Provident International that is owned by my company. Who do you report?

A We would report the controlling persons (please see above).

Q What is the difference between the Entity Self-Certification Form and the Individual Self-Certification Form?

A The Entity Self-Certification should be completed for owners who are legal arrangements (such as corporations, trusts, partnerships and foundations). The Individual Self-Certification Form should be completed for owners who are individuals or for individuals who are controlling persons of a legal arrangement.

Q The Entity Self-Certification Form has terminology and definitions that I don't understand. Can Friends Provident International help?

A We have composed a document called AEOI Definitions which is a comprehensive breakdown of various terms and phrases relating to AEOI. It's available in PDF from our website.

As an example, if your Friends Provident International plan is owned by a family trust (where only Individuals act as Trustees) and does not match any of the criteria for an Active Non-Financial Entity (as detailed in our AEOI Definitions), then it is likely to be a Passive Non-Financial Foreign Entity (Passive NFFE) for FATCA and Passive Non-Financial Entity (Passive NFE) for Common Reporting Standards. We recommend that you seek professional tax advice if you are unsure of your entity's classification.

Q I have a plan with Friends Provident International that's in Trust, who do you report?

A Where one of our plans is held in trust, we report the details of the controlling persons of that trust if they are resident in a reportable jurisdiction. The controlling persons would be the Settlor(s), Trustee(s), Protector(s) and in some types of trusts the Named Beneficiaries.

Q I don't pay tax in my country. Do I still need to provide a TIN or functional equivalent?

A Yes.

Q My country does not issue a Taxpayer Identification Number (TIN). What should I provide instead?

A Where a country doesn't issue a Taxpayer Identification Number (TIN), you should provide us with a functional equivalent.

A function equivalent will be another unique reference number provided by a tax authority or government department. Examples of this may be a Social Security Number, Permanent Residents Number, Visa Number, National Insurance Number (UK only).

Q If I move to another country part way through a reportable year, do you send my information to the country that I have left?

A We look at where our plan owners are resident on 31 December each year. If you are resident in a reportable country at that point then that is where the relevant competent tax authority* may send information to. They will not send information to your previous country.

Q My Friends Provident International plan has a Discretionary Fund Manager (DFM) appointed. Do they need to report the plan information for AEOI?

A Possibly. As the DFM has custody of the underlying assets and cash, they are maintaining the account along with Friends Provident International and depending on the DFM's local regulations, they may also have to report details. This does mean in certain circumstances that a client's tax authority would receive the information about their Friends Provident International investment twice.

*The relevant competent authority depends on the type of product, and this will be the Isle of Man Income Tax Division, or the Inland Revenue Authority of Singapore (IRAS).

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