



# 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 came into effect on 1 July 2017. The first international exchange of information will occur in 2018.

## 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's 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](#).

### Additional requirements for XML Schema files

To enable compatibility with our systems, we have introduced some additional requirements for CRS XML files.

#### **MessageRefID and DocRefID elements**

In order to pass validation, all XML Schema files must contain MessageRefID and DocRefID elements with the following format:

- AUReportingYearAUSendingCompanyINUniqueReference

The components of the above format are:

- Sending Country Code – must be, **AU**
- Reporting Year – for example, **2017**
- Receiving Country Code – must be, **AU**
- Sending Company IN – for example, **ABN, GIIN or TFN**
- A unique string of characters the reporter can use to make the file unique – for example, **UniqueReference**.

The MessageRefID and DocRefID must be unique in space and time.

The Sending Company IN and Reporting FI elements must be identical in the report.

### **Wrapper headers for CRS Reports**

CRS reports must contain the appropriate wrapper header for lodgment regardless of the channel used. A wrapper header enables us to identify the file. For guidance on creating a wrapper header, refer to [CRS for reporters and digital service providers](#).

### **One CRS report per reporting entity**

The lodgment of CRS reports will be limited to one reporting entity per report. The report should contain all of the entities reportable accounts.

## **Nil reports**

There is no requirement for Reporting Financial Institutions (RFIs) to lodge a nil CRS report. However, lodging a nil report will help us monitor CRS compliance and may reduce the need for queries.

You can create and lodge a Nil report as per the CRS XML [schema user guide](#).

## **Testing**

If you are producing a CRS XML file in-house, you can lodge a test file via the Business or Tax Agent Portals. Ensure you select the lodgment type as a 'test' and a validation report will be produced for your review.

We have a test environment available for software developers to test their software. The test environment can be accessed via the [test portal](#). Developers will need to register with the Digital Partnership Office (DPO) to gain access to the test environment.

If you encounter any issues with registration or the test environment:

- email [ATOBulkDataTransfer@ato.gov.au](mailto:ATOBulkDataTransfer@ato.gov.au)
- phone us on **(02) 6216 4004**.

## **Due date for the CRS report**

The CRS came into effect on 1 July 2017 with the first CRS report due by 31 July 2018. The first report should contain data from 1 July 2017 to 31 December 2017. After this period reports will include data from January to December and will be due annually, by 31 July in the following year.

## **How to lodge**

You can lodge your CRS report online through:

- the ATO Business and Tax Agent Portals; or
- CRS enabled business/accounting software.

We are currently working on a solution to allow small RFIs with less than 50 reportable

accounts to download and complete a CRS spreadsheet. The spreadsheet will convert the information into the required XML Schema format. This can then be lodged through the ATO Business or Tax Agent Portals. This solution is currently under development and we will advise when it is available for use.

## More information

### Third Party Reporters

For additional information for financial institutions on preparing and lodging the CRS report, refer to [Third party reporting for CRS](#).

### Not-for-profits

The CRS may impact not-for-profits (NFP) organisations. For further information and to determine if you have a reporting obligation under the CRS, refer to [Not-for-profits and the Common Reporting Standard](#).

### Digital Service Providers

For information on the CRS XML schema and technical updates, refer to [Information for CRS reporters and digital service providers](#).

Supporting Material

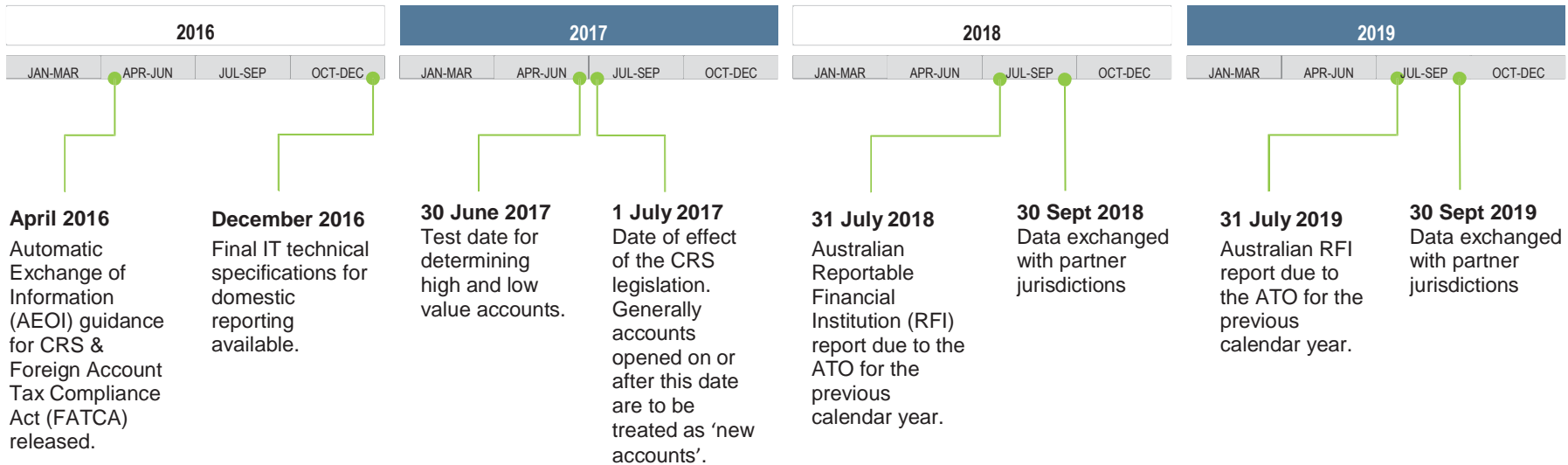
- [The Automatic Exchange of Information Guidance](#)
- [The Organisation for Economic Co-operation and Development's \(OECD's\) Standard for Automatic Exchange of Financial Account Information in Tax Matters](#)
- [The OECD's Automatic Exchange Portal](#)

## CRS News and information

You can subscribe to DPO's [News services](#) to receive the latest CRS information through newsletters, alerts and emails.

If you have any further questions regarding the CRS, contact the [CRS Project Team](#).

# 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