

Common Reporting Standard(CRS) case study



 Gary Ng
Risk Assurance Partner

 +852 2289 2967

 gary.kh.ng@hk.pwc.com

 Stephen Yau
Risk Assurance Senior Manager

 +852 2289 8521

 stephen.ch.yau@hk.pwc.com

Client: A Hong Kong-based asset management company

Industry: Asset Management

Services: Regulatory compliance

Client Challenge:

The client is planning to implement CRS but faces the following challenges:

- Raising CRS awareness throughout the company.
- Performing entity analysis of the company's managed pension and investment funds to identify Financial Institution (FI).

- Revising customer on-boarding policies and procedures to comply with customer due diligence requirements.
- Designing an efficient pre-existing customer due diligence workflow and procedures.
- Performing CRS reporting with XML file conversion and encryption.
- Lay out the management decisions which must be addressed prior to execution of pre-existing account due diligence procedures, and recommend the estimated milestones and prioritisation of action items.
- Advise on reporting requirements and provide recommendations on data elements (e.g. account information, account balances and payments, etc.) that are required by the company for CRS reporting.

PwC's solution:

- Conduct CRS awareness training sessions for relevant stakeholders within the company.
- Review the relevant entity data based on CRS regulations and provide guidance to determine the CRS status of the company's managed pension and investment funds.
- Propose a process to maintain and monitor the status of entity classification on a regular basis.
- Provide guidance on designing customer on-boarding process, and provide comments and recommendations on necessary changes and industry common practices for the company's operating workflows, systems and procedures such as the reasonableness test with regards to the Self-Certification validation in relation to new account on-boarding process.
- Provide advice and recommendations on the design of administrative forms such as Self-Certification and communication documents such as letters and FAQs.

- Perform XML file conversion, data logical checking and encryption, submit the relevant data to the IRD.

Impact on client's business:

- Enhanced awareness on CRS.
- Successful identification of all its financial institutions (FIs) which are required to comply with the CRS.
- Effective maintenance and monitoring of the status of its FIs.
- Better due diligence process resulting from revised customer on-boarding procedures and relevant on-boarding documents such as account opening forms and Self-Certification form.
- More efficient approach when conducting pre-existing account due diligence procedures.

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