

Common Reporting Standard (CRS) Frequently Asked Questions

1. What is the Common Reporting Standard (CRS)?

CRS is a new worldwide information-gathering and reporting requirement for financial institutions (including insurance companies) in participating countries, to help fight against tax evasion and protect the integrity of the global tax systems.

2. Why does TMLM need to comply with CRS?

All financial institutions, including TMLM, are legally required to collect and report your tax details following the gazette order issued by the Malaysia Federal Government under Income Tax (Automatic Exchange of Financial Account Information) Rules 2016.

3. Is CRS applicable to all insurers?

All reporting financial institutions (that are not otherwise exempt from such reporting requirements), including banks, insurers and asset management businesses, are required to be compliant with the CRS.

4. What information are you asking customers to provide and verify?

In line with the CRS requirements, we will be asking you for the following information:

- Name
- Address
- Date of birth (for Individual and Controlling Persons)
- Country(ies) of tax residence
- Taxpayer identification number(s)
- Place of registration/incorporation (for Entities)
- Entity Type
- Controlling Person Type

5. Why is TMLM requesting for my tax residency status?

Under the CRS, tax authorities require financial institutions such as TMLM to collect and report certain information relating to their customers' tax status.

If you buy a new insurance policy, take over an insurance policy via Absolute Assignment or change your circumstances, we will ask you to certify a number of details about yourself. This process is called "self-certification" and we are required to collect this information under the CRS. Compliance with the CRS is a requirement under Malaysian law.

6. How do I find out my tax residency?

Please contact a professional tax advisor or refer to the Organisation for Economic Co-Operation and Development (OECD) website for more information on how to determine your tax residency. TMLM, as a financial institution, is not allowed to give you any tax advice.

7. What documents do I need to complete for CRS?

You need to complete the "Tax Residency Self-Certification Form" and confirm your tax residency status for any country other than Malaysia.

8. What is the implication if I do not complete the CRS Self-Certification or provide the required supporting documents?

As this is a requirement under the CRS, TMLM will not be able to process your application for insurance, request for change or claims without receiving the necessary documents.



9. Who is reportable?

The CRS seeks to establish the tax residency of customers. Under the CRS, financial institutions are required to identify customers who are tax resident outside of the country where they hold their accounts and products, and report certain financial account information to the local tax authority. The local tax authority may then share that information with the tax authority in the country where you are tax resident.

10. How often will I need to provide this information?

Once we have a valid self-certification on record, you will only be asked to complete another self-certification when you update certain information on your account or we believe your reportable status may have changed.

This would include changes in circumstances such as update in nationality, update in contact number, address, and/or NRIC/passport number.

11. Is my information safe?

Yes, your information is strictly protected by TMLM. TMLM respects your data privacy.

12. I have provided you with my details. Why are you asking me for supporting documents?

We are required by law to verify the details you have provided as part of your self-certification. We may ask you for a copy of your NRIC/passport to verify your identity or for some other evidence of your tax residency declared in your self-certification.

13. What information will be reported to tax authorities?

The information reported to tax authorities will have been provided in the self-certification form, and details about the accounts and products you have with us, including:

- the cash value
- the total amounts of Anticipated Cash Benefits, Dividends, Interests or payments credited

14. Where can I find further information and advice?

For more information about CRS, please visit the OECD website.



CRS Terms and Definitions

Term	Definition
Account Holder	<p>The term “Account Holder” means the person listed or identified as the holder of a Financial Account. A person, other than a Financial Institution, holding a Financial Account for the benefit of another person as an agent, a custodian, a nominee, a signatory, an investment advisor, an intermediary, or as a legal guardian, is not treated as the Account Holder. In these circumstances that other person is the Account Holder. For example in the case of a parent/child relationship where the parent is acting as a legal guardian, the child is regarded as the Account Holder. With respect to a jointly held account, each joint holder is treated as an Account Holder.</p>
Active Non-Financial Entity (NFE)	<p>An NFE is an Active NFE if it meets any of the criteria listed below. In summary, those criteria refer to:</p> <ul style="list-style-type: none"> ▪ active NFEs by reason of income and assets; ▪ publicly traded NFEs; ▪ Governmental Entities, International Organisations, Central Banks, or their wholly owned Entities; ▪ holding NFEs that are members of a nonfinancial group; ▪ start-up NFEs; ▪ NFEs that are liquidating or emerging from bankruptcy; ▪ treasury centres that are members of a nonfinancial group; or ▪ non-profit NFEs. <p>You must meet any of the following criteria to be an Active NFE:</p> <ul style="list-style-type: none"> ▪ less than 50% of the NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income; ▪ the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market; ▪ the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing; ▪ substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution (FI), except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes; ▪ the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a FI, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;



	<ul style="list-style-type: none"> ▪ the NFE was not an FI in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of an FI; ▪ the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not FIs, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of an FI; or ▪ the NFE meets all of the following requirements: <ul style="list-style-type: none"> ○ it is established and operated in its country of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its country of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare; ○ it is exempt from income tax in its country of residence; ○ it has no shareholders or members who have a proprietary or beneficial interest in its income or assets; ○ the applicable laws of the NFE’s country of residence or the NFE’s formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE’s charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and ○ the applicable laws of the NFE’s country of residence or the NFE’s formation documents require that, upon the NFE’s liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE’s country of residence or any political subdivision thereof.
<p>Controlling Person</p>	<p>For an Entity that is a legal person, the term Controlling Person means the natural person(s) who exercises a controlling interest over the Entity.</p> <p>Determining control will depend on the legal structure of the Entity. Control over an Entity may be exercised through direct or indirect ownership or if no such person(s) exists, then by any natural person(s) that otherwise exercises control over the management of the Entity i.e. the Senior Managing Official of the Entity.</p> <p>For companies, Controlling Persons include any natural person that holds directly or indirectly more than 25 percent of the shares or voting rights of an Entity as a beneficial owner.</p> <p>In the case of a partnership and similar arrangements, Controlling Person means, consistent with “beneficial owner” in anti-Money Laundering regulations, any natural person who exercises control through direct or indirect ownership of the capital or profits of the partnership, voting rights in the partnership, or who otherwise exercises control over the management of the partnership or similar arrangement.</p> <p>In the case of a trust (and Entities equivalent to trusts), the term Controlling Persons means the settlor(s), the trustee(s), the protector(s) (if</p>



	any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust.
Entity	This is defined under the CRS as a legal person or a legal arrangement, such as a corporation, organisation, partnership, trust or foundation. This term covers any person other than an individual (i.e. a natural person).
Individuals	An individual is a customer that holds a personal account or product with TMLM. Under the CRS, this also includes Sole Traders.
Non-Financial Entity (NFE)	An “NFE” is any Entity that is not a Financial Institution.
Passive Non-Financial Entity (NFE)	Under the CRS, a Passive NFE means any NFE that is not an Active NFE. An investment entity located in a Non-Participating Jurisdiction and managed by another Financial Institution is also treated as a Passive NFE for purposes of the CRS.
Senior Managing Official	In the absence of a natural person(s) that exercises control of the Entity through ownership interests, the Senior Managing Official can be identified as the Controlling Person(s) of the Entity. The Senior Managing Official of a company is the person who exercises control over the management of the entity.
Tax Residency	Your tax residency is the country where you are resident/registered for tax purposes. Each country has its own rules for defining tax residence. For more information on tax residence, please consult your tax advisor or the OECD AEOI portal.
Taxpayer Identification Number (TIN)	A TIN is a unique combination of letters and/or numbers assigned to you/your entity. Some countries do not issue a TIN, but may rely on other issued numbers such as social security/insurance numbers or company registration numbers for entities. You may need to provide these if requested. The OECD has published a list of the acceptable TIN formats and their alternatives.