



**CENTENAL**  
automated CRS compliance

# CRS Expert<sup>®</sup>

## USER GUIDE

Step by Step Guide



[www.centenal.com](http://www.centenal.com)

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# 1. Introduction

This guide provides a step-by-step process to use the CRS Expert® software. Each stage in the process will be explained, from (re)creation of a client structure, to interpretation of the automated beneficial ownership feature of the software, to how to access the automated CRS report analysis. The format and contents of a typical CRS report will be explained. The XML reporting function will then be assessed and explained. The guide will end with an explanation of the software's account monitoring function.



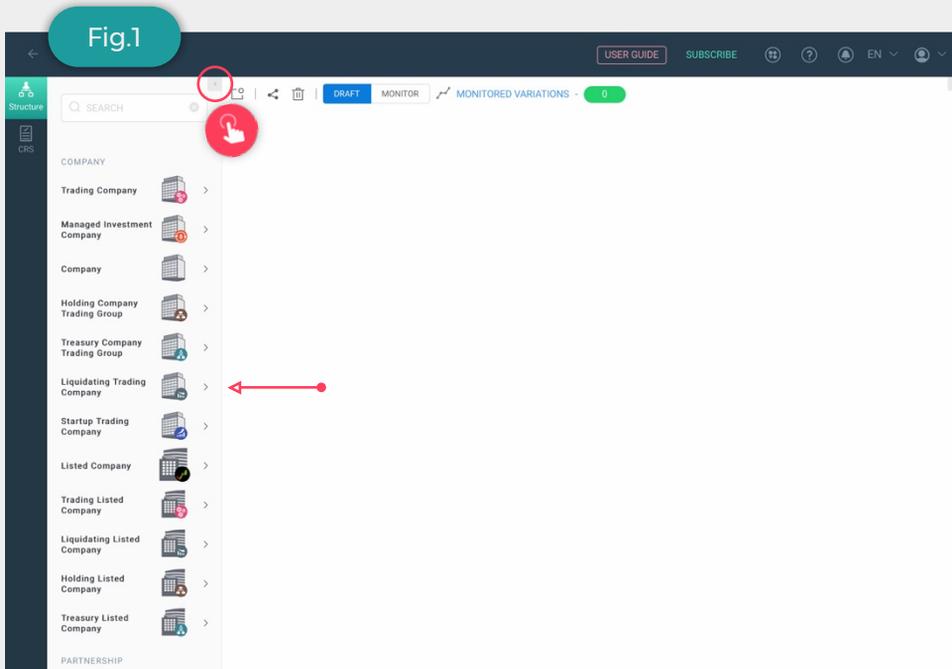
Zac Lucas  
Founder, Head of Legal  
CENTENAL



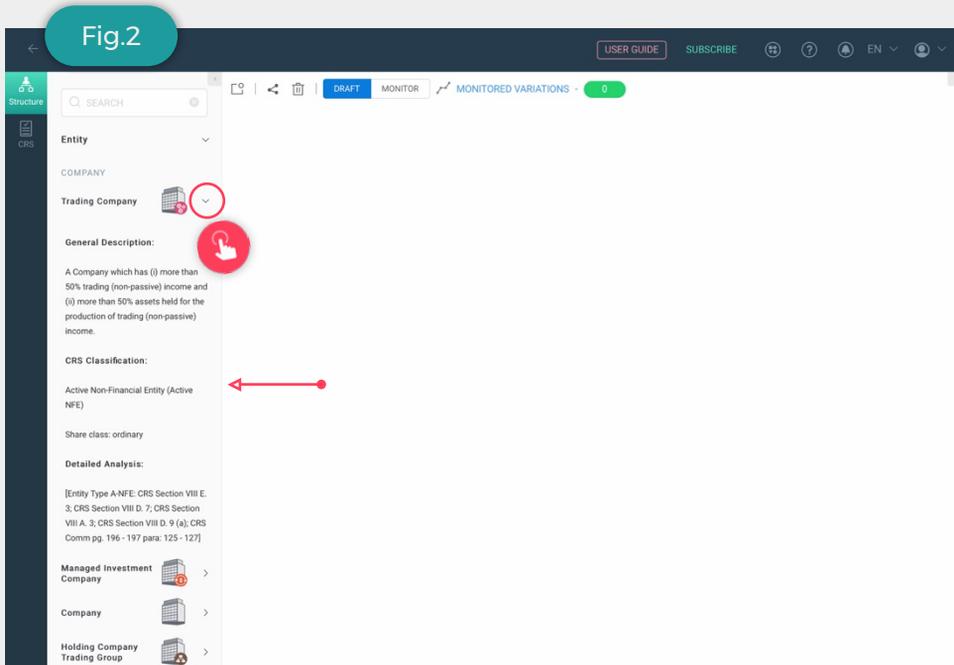
## 2. Create a Structure

CRS Expert® is based on a visualized graphically user interface, comprised of icons representing a diverse range of real world client structure elements, from companies, partnerships, trusts, and foundations to various financial accounts and assets.

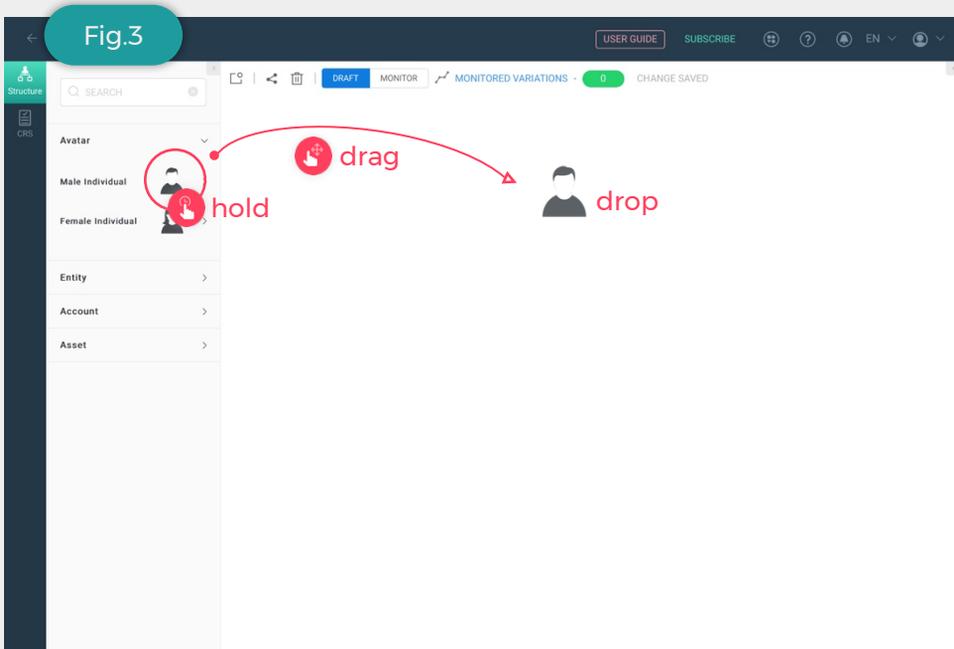
Each icon represents a unique “dataset”. For example, the icon that represents a company has corresponding versions that represents each of the different types of company classification under the CRS (see **Fig. 1**), including a Passive NFE Company, Active NFE Company and Investment Entity Company.



In order to access the quality or dataset of an icon simply click the “drop-down” next to the relevant icon. The drop-down will set out a general description of the icon, its CRS classification and a detailed analysis of its attributed statutory basis (see Fig. 2).

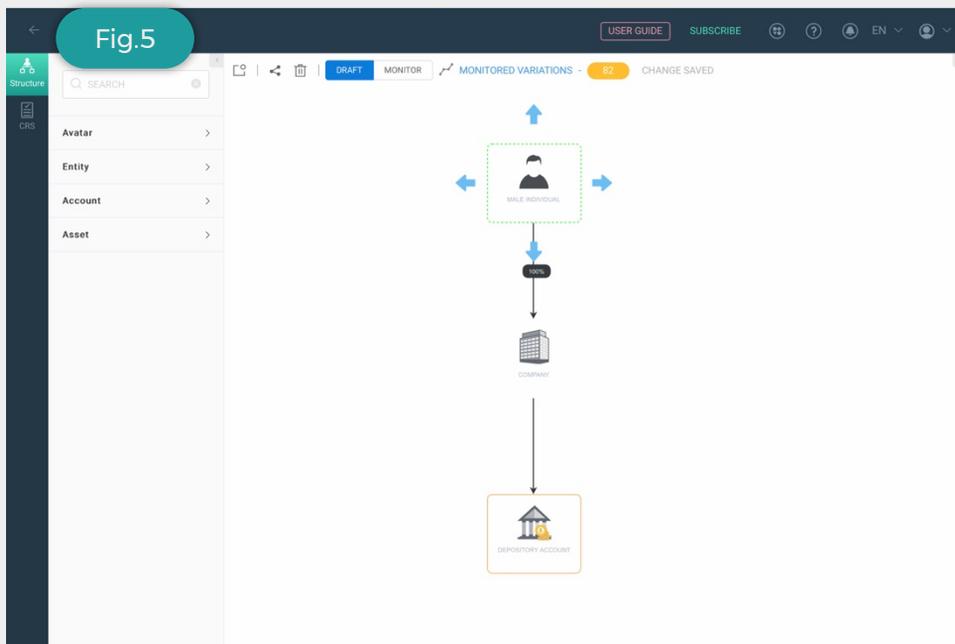
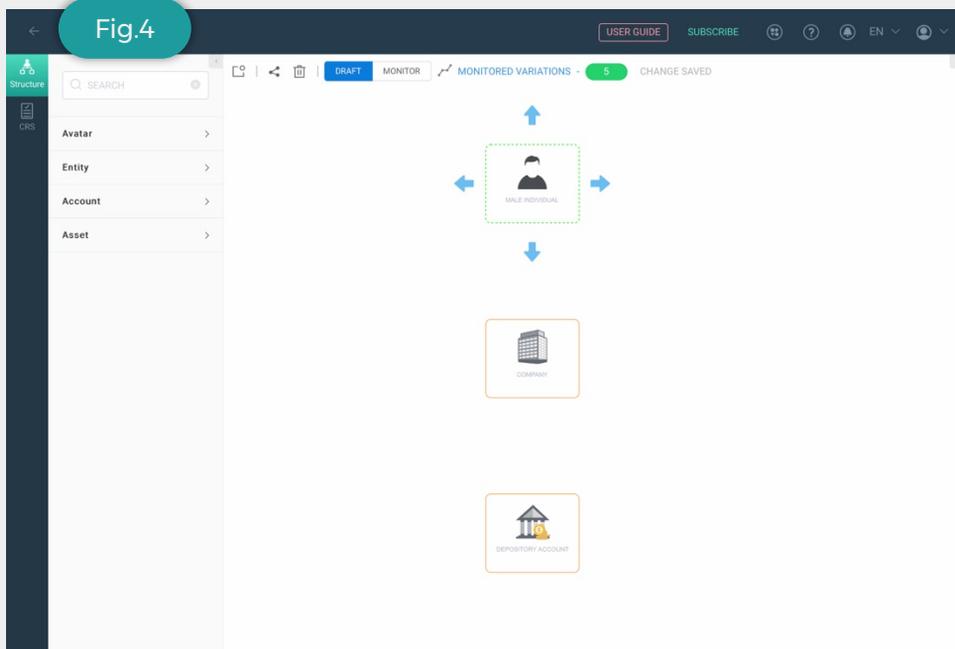


In order to (re)create a client structure, simply **hold-drag-and-drop** relevant icons from the relevant menu list. ((see Fig. 3)

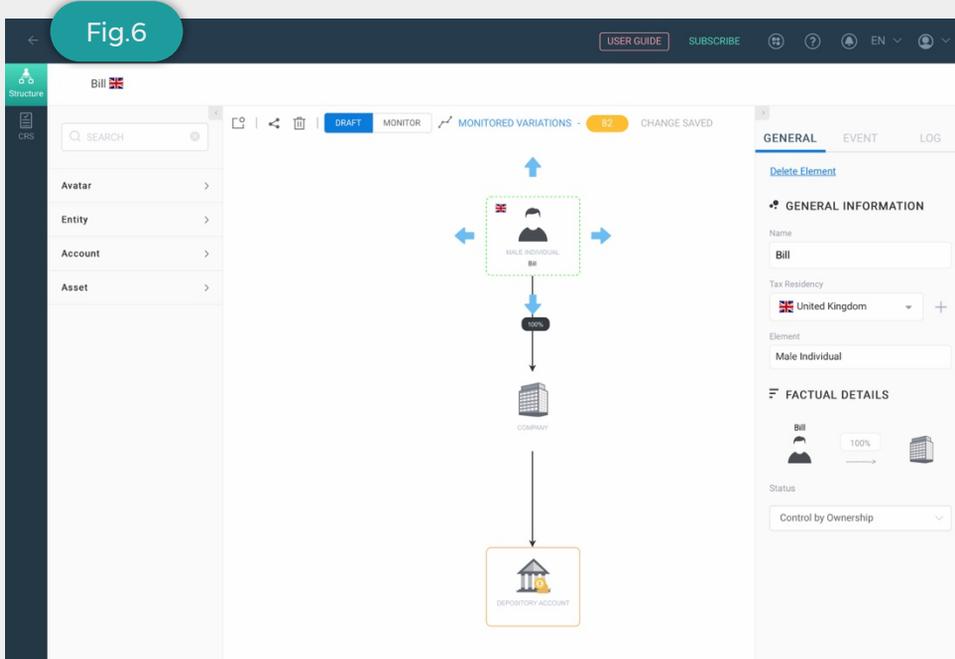




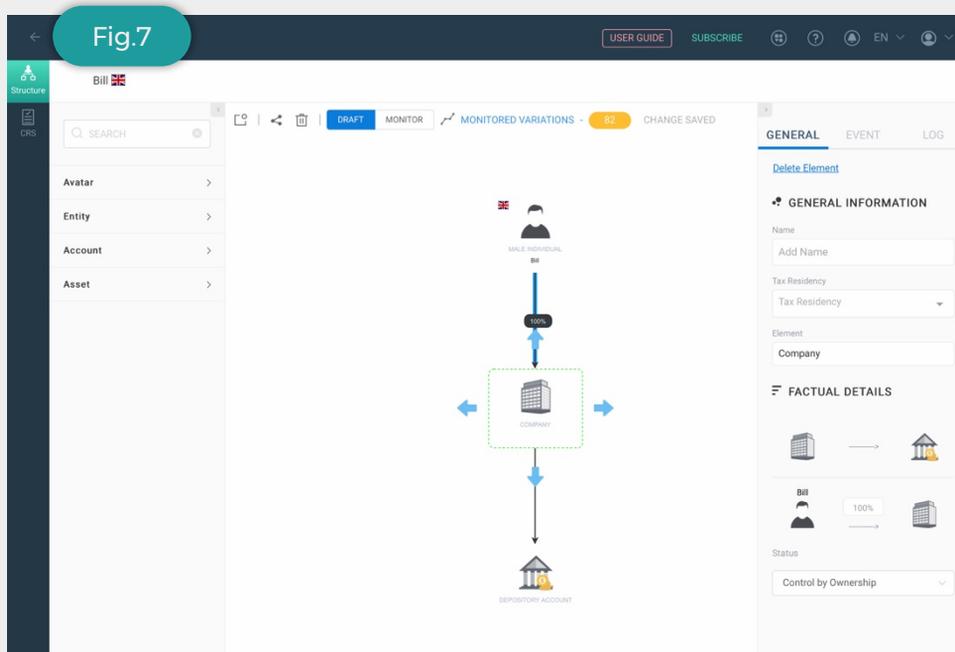
Once the relevant icon has been dropped into the work screen area (see [Fig. 4](#)) you may begin the process of associating each icon to the next until the structure is made composite (see [Fig. 5](#)). Pull or motion down on the blue arrow to begin the process to attach icons.



Once the icons have been associated, complete the structure by including identifying features for each of the icons by including the name and tax residence status of the icon (see [Fig 6](#)).

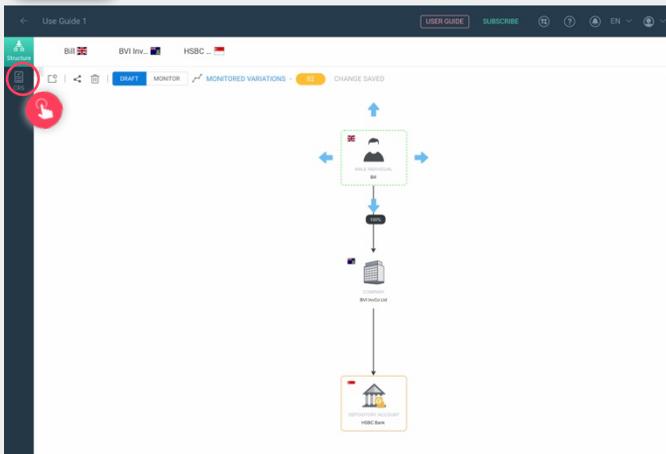


Tap on the company icon to trigger visual verification of ultimate beneficial ownership of the company - this is represented by a thick blue line connecting the shareholder (Bill) and the company, and signifies that Bill holds a controlling ownership interest in the company (see [Fig. 7](#)). Complete client structure details in order to move to the next stage: [Analyze a Structure](#)



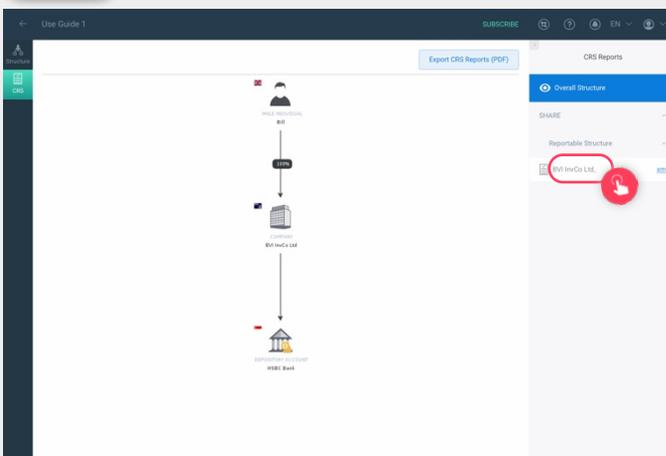
## 3. Analyze a Structure

Fig.8



Once all icon details have been completed press the *CRS Report Tap* (see [Fig. 8](#)) in order to access the automated CRS report analysis of the structure.

Fig.9



The software contains computational algorithms that are applied to the client structure in order to determine its CRS reportability.

[Fig. 9](#) sets out the analysis screen, with individual analysis reports indicated.

Tap the *report name* in order to access the detailed analysis (see [Fig. 10](#)).

**Fig. 10** sets out the CRS report analysis of the structure. The diagram at the top of the reports graphically shows the reporting lines indicated in the analysis.

In this case only Bill is reportable, and not the BVI company (BVI InvCo Ltd). HSBC Bank is indicated as the relevant Reporting Financial Institution.

*Scroll the report upwards to reveal contents of the detailed report.*

**Fig.10**

The screenshot displays a web-based interface for a CRS report analysis. At the top, there is a navigation bar with 'SUBSCRIBE' and 'EN' options. Below this, a flowchart illustrates the reporting structure: Bill (UK) is 100% owned by BVI InvCo Ltd (BVI), which in turn holds a Financial Account with HSBC Bank (Singapore). The flowchart also shows HM Revenue and Customs (UK) and BVI Island Revenue Department (BVI) with 'Exchange Information' and 'Report' indicators. A sidebar on the right shows 'CRS Reports' with 'Overall Structure' and 'Reportable Structure' sections, highlighting 'BVI InvCo Ltd'.

**2019 Reportable Year:**  
**Summary Reportable Status:**  
 Bill's Reporting Status: Reportable  
 BVI InvCo Ltd's Reportable Status: Not Reportable

**Factual Analysis:**  
 Bill is a tax resident in United Kingdom.  
 BVI InvCo Ltd is tax resident in British Virgin Islands and holds a Depository Account with HSBC Bank.  
 HSBC Bank is a Financial Institution (Depository Institution that maintains Depository Accounts) for CRS purposes. HSBC Bank is tax resident in Singapore.

**CRS Reporting Analysis:**  
**BVI InvCo Ltd's Reporting Analysis:**  
 BVI InvCo Ltd holds a Financial Account with HSBC Bank. BVI InvCo Ltd is classified a Passive NFE for CRS purposes.  
 BVI InvCo Ltd is tax resident in British Virgin Islands. HSBC Bank is tax resident in Singapore. Singapore has not agreed to automatically exchange financial information with British Virgin Islands. Therefore, British Virgin Islands is not a Reportable Jurisdiction.  
 BVI InvCo Ltd does not hold a Reportable Account and therefore HSBC Bank is not required to report BVI InvCo Ltd's Financial Account.  
 BVI InvCo Ltd is not subject to CRS reporting.  
 BVI InvCo Ltd may be required to complete CRS Self-Certificate Form E.

**Bill's Reporting Analysis:**  
 Bill holds a Financial Account with HSBC Bank. BVI InvCo Ltd is classified a Passive NFE for CRS purposes.  
 The CRS requires HSBC Bank to identify and report each Controlling Person of a Passive NFE that is a Reportable Person.  
 Bill is tax resident in United Kingdom. HSBC Bank is tax resident in Singapore. United Kingdom and Singapore have agreed to automatically exchange financial account information (Bilateral CAA - First exchange in 2016). Therefore, Bill is resident in Reportable Jurisdiction.  
 HSBC Bank will be required to identify and report individuals with more than 25% controlling ownership interest or otherwise deemed to hold a controlling interest in BVI InvCo Ltd (Controlling Persons) that are Reportable Persons.  
 Bill in aggregate holds 100.0% of [Bill-BVI InvCo Ltd(100.0%)] which exceeds the indicative 25% threshold of controlling ownership interest in BVI InvCo Ltd and therefore Bill is deemed a Controlling Person of BVI InvCo Ltd.  
 HSBC Bank is required to report Bill's interest in BVI InvCo Ltd to Inland Revenue Authority of Singapore. Inland Revenue Authority of Singapore will exchange financial account information with HM Revenue and Customs of UK in September 2019.  
 Bill will be required to complete CRS Self-Certificate Form CF.

**Root Analysis:**  
**BVI InvCo Ltd's Root Analysis:**  
 Due Diligence Indicator:  
 CRS Section I, V and VI (Entity Type P-NFE: CRS Section VII E, 3, CRS Section VII D, 7, CRS Section VII A, 3, CRS Section VII D, 8 (i)), CRS Section D, 9, CRS Comm. pg. 160-161 para. 125-127)  
 REI Type and Account:  
 [REI Type: CRS Section VII E, 3, CRS Section VII A, 3, CRS Comm. pg. 160-161 para. 12-14]  
 [Account Type: CRS Section VII E, 1, CRS Section VII C, 1-2, CRS Comm. pg. 177 para. 46-47]  
 Outcome Analysis:  
 CRS Section V D, 1 and 2, CRS Section VII D, 1, 3 and 4, CRS Comm. pg. 194 para. 118, CRS Insp. pg. 154 FAQ, 17  
 Exchange Relationship: Singapore and British Virgin Islands - Nil

**Bill's Root Analysis:**  
 Due Diligence Indicator:  
 CRS Section I, V and VI (Entity Type P-NFE: CRS Section VII E, 3, CRS Section VII D, 7, CRS Section VII A, 3, CRS Section VII D, 8 (i)), CRS Section D, 9, CRS Comm. pg. 160-161 para. 125-127)  
 REI Type and Account:  
 [REI Type: CRS Section VII E, 3, CRS Section VII A, 3, CRS Comm. pg. 160-161 para. 12-14]  
 [Account Type: CRS Section VII E, 1, CRS Section VII C, 1-2, CRS Comm. pg. 177 para. 46-47]  
 Outcome Analysis:  
 CRS Section V D, 2, CRS Section VII A, 2, CRS Section VII D, 1, 3 and 4, CRS Comm. pg. 194 para. 118, CRS Section VII D, 4, CRS Comm. pg. 194 para. 132-137, CRS Insp. pg. 154 FAQ, 17  
 Exchange Relationship: Singapore and United Kingdom - Active [Bilateral CAA - First exchange in 2016]

The CRS analysis report contains a **“Summary Reportable Status”** section which confirms the reportable status of the account holder, in this case the BVI company (BVI InvCo Ltd) and its Controlling Person shareholder (Bill).

The CRS analysis report then restates the **“Factual Details”** of each party to the report, confirming that Bill is tax resident in UK, BVI InvCo is tax resident in BVI and holds an account with HSBC Bank in Singapore.

The next sections detail the actual analysis and reporting outcome of each of BVI InvCo Ltd and Bill, headed respectively: **“BVI InvCo Ltd's Reporting Analysis”** and **“Bill's Reporting Analysis”**.

The analysis reports set out the CRS basis on which BVI InvCo Ltd is non-reportable and Bill is reportable.

The subsequent sections – The **“Root Analysis”** section of the report is designed to provide an audit basis on which reportability is justified as well allowing easy manual verification of reporting accuracy.

Fig.11

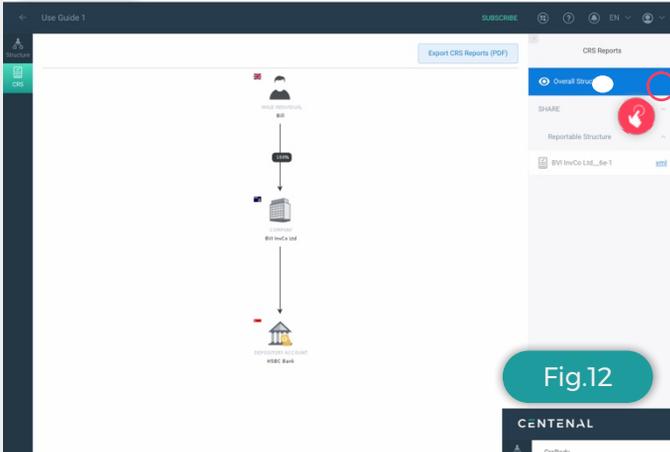


Fig.12

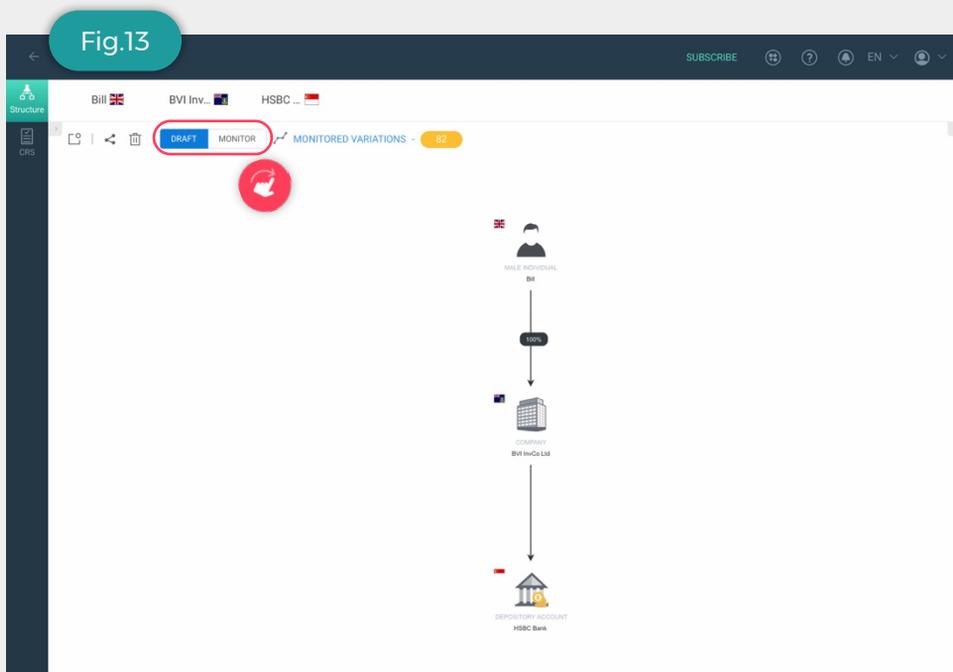
## 4. Report a Structure

CRS Expert® is also designed as a reporting tool.

The CRS report data, along with user generated data (either manually inputted where the software is not fully integrated or via an API where the software is fully integrated) are used in order to prepare automated XML reports for filing with the relevant tax authority in discharge of the users reporting obligations under the CRS.

See [Fig. 11](#) and [Fig. 12](#) which illustrates a typical XML Schema.

## 5. Monitor a Structure



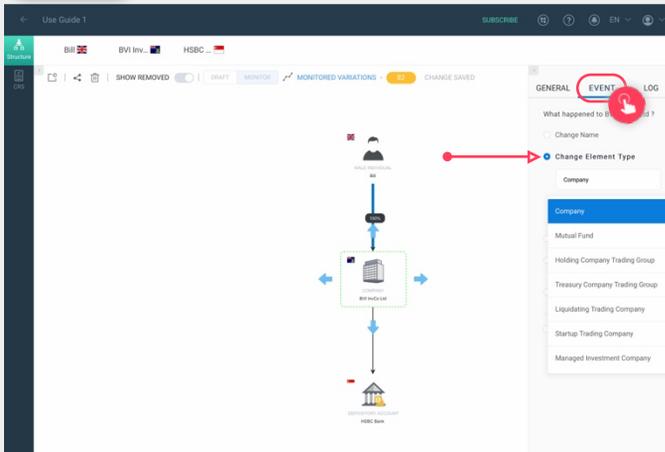
Client structures once created may also be actively monitored.

Monitored structures allow for changes in the parties to the structure to be recorded in chronological order and subsequent reporting outcomes stored in readiness for yearly reporting. This function allows users to utilize a single point of entry for client and/or structure related changes with automated reporting outcome analysis via use of the software's CRS algorithm analysis function.

**Fig. 13** shows the monitor button - switch on to activate the "monitoring" function.

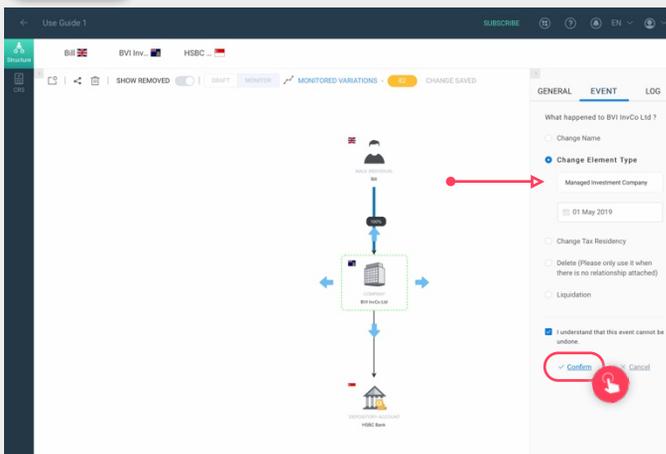
**Fig. 14** sets out the process to record changes to a structure subject to active “monitoring”.

**Fig.14**



The “*Event*” menu of options applicable to the BVI Company (BVI InvCo Ltd). The selected option is “*Change Element Type*” this option allows the user to change the Passive NFE status of the Company.

**Fig.15**



**Fig. 15** above shows the option “*Managed Investment Entity*” status change selected, the date the status is to take effect (01 May 2019) and confirmation that the change of status to BVI InvCo Ltd can be made.



Fig.16

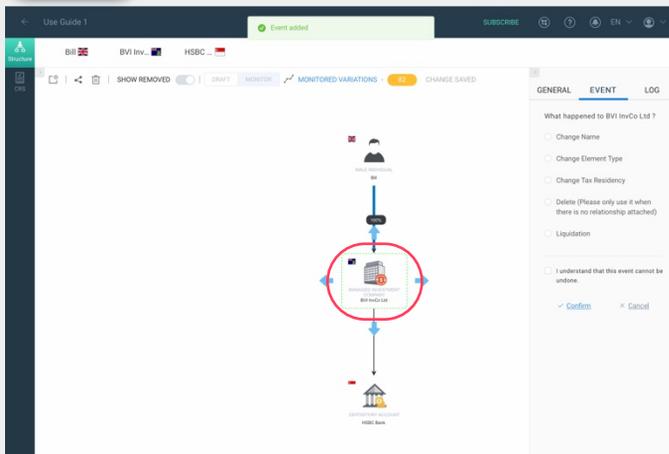


Fig. 16 confirms the status change to BVI InvCo Ltd from a Passive NFE to an Managed Investment Entity.

Fig.17

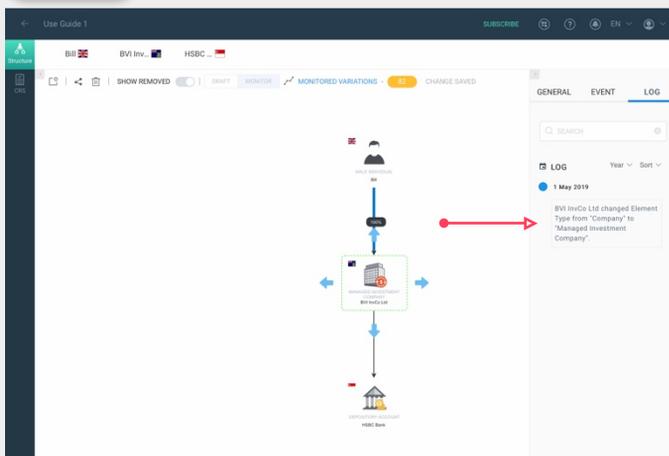
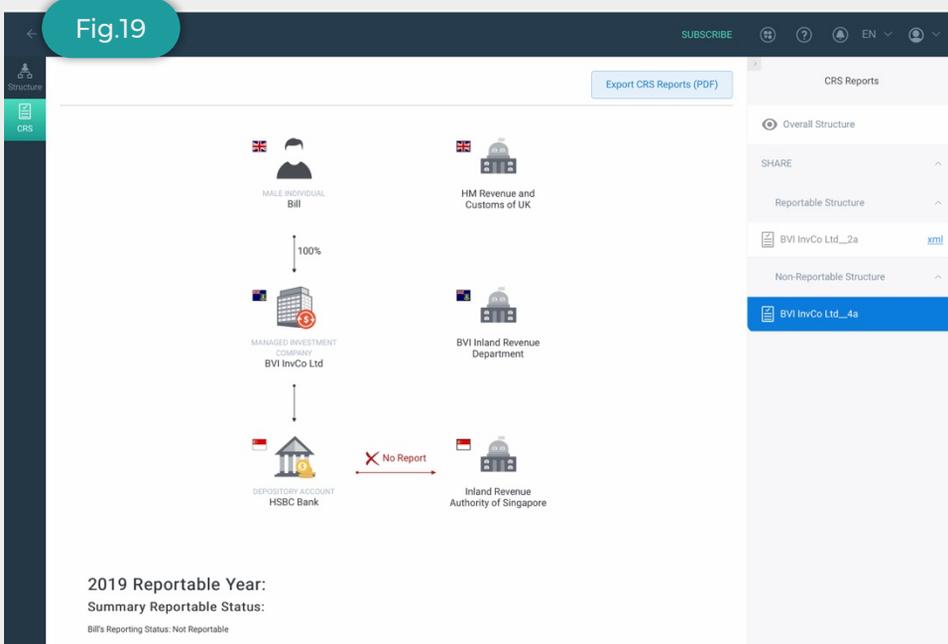
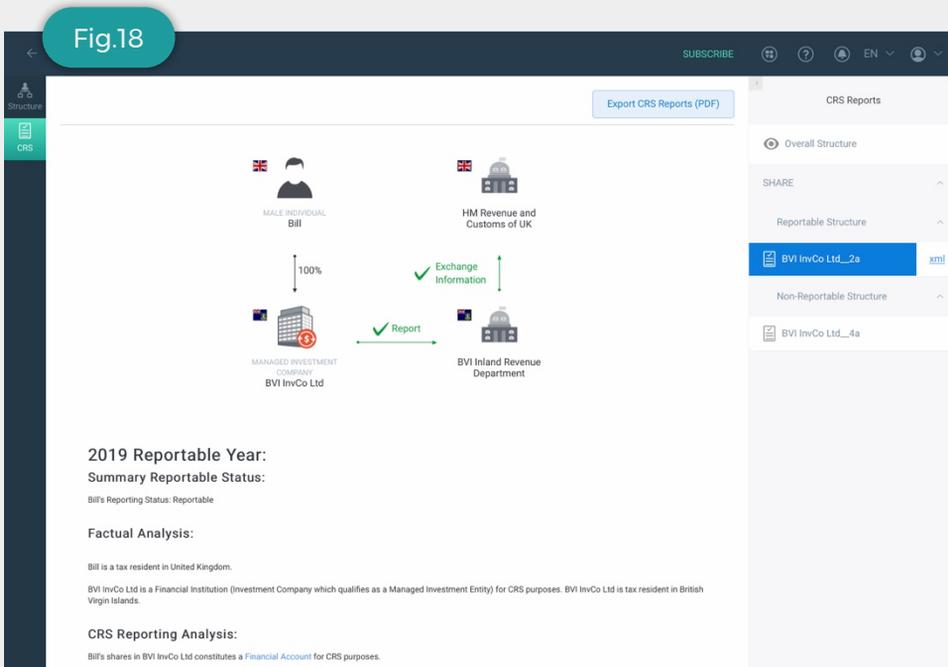


Fig. 17 shows the audit log of changes affecting BVI InvCo Ltd.

The “Monitoring” function allows adjustments to be made to the status of each icon contained in the relevant structure in order to mirror real world changes. The monitored events are then automatically indexed and recorded and the CRS reporting outcome automatically calculated.

Fig. 18 and Fig. 19 below illustrate the updated CRS reporting outcome as a result of the change in status to BVI InvCo Ltd from a Passive NFE company to a Managed Investment Company.



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