**Example of policy on due diligence for charities that are Financial Institutions under the Common Reporting Standard (CRS)**

***Note: A policy on due diligence is optional. You may wish to adopt such a policy, but charities are not compelled by HMRC to do so. This example can be adapted as necessary to suit your requirements.***

**Relevant information**

1. This policy states [insert charity name]’s approach to due diligence for the purposes of reporting under the Common Reporting Standard (henceforth CRS, also known as the Automatic Exchange of Information).
2. In order to meet its responsibilities, [insert charity name] will collect the following information from relevant individual account holders:
   1. Name of individual
   2. Residential address of account holder
   3. Jurisdiction(s) of tax residence
   4. Tax Identification Number (if it exists) of account holder
   5. Date of Birth
3. For entities which are relevant account holders, [insert charity name] will collect the following information:
   1. Name of entity
   2. Registered address
   3. Jurisdiction of formation
   4. Tax identification number (if it exists) of account holder
   5. Entity classification

**Self-certification**

1. For entities, [insert charity name] will where possible determine tax residence from the public registers of the Charity Commission for England and Wales, the Charity Commission for Northern Ireland, and the Office of the Scottish Charity Regulator. Self-certification will only be sought where such information is not available.
2. Information on new account holders and information not already held on existing account holders will be obtained using a written self-certification form provided by [insert charity name]. Where written self-certification is not possible, the information will be obtained verbally and recorded by the grants officer.
3. Where it can be deduced from information already held that the account holder is not a reportable person (see Appendix), self-certification will not be sought; for example, if the information held shows that the entity is a corporation that is publicly traded or a governmental entity.
4. Where an individual or entity provides information which conflicts with existing information held by [insert charity name], they will be asked for further information in addition to self-certification in the form of a passport or utility bill or document of registration. The exact form of additional information will be left at the discretion of grants officer.
5. If the grant is being made in circumstances in which it is unreasonable to supply the relevant information required in (2) in written form, grants officers may seek the information in the form of a verbal affirmation and if necessary provide an explanation recorded alongside the grant for why the relevant information could not be reasonably obtained.
6. Grants may be approved before the relevant information is obtained if the grants officer believes it would be impossible, or if disproportionate steps would need to be taken, for the relevant information to be given in time for the grant award to make an impact. [Insert charity name] will take steps to collect the relevant information as soon as possible after a grant has been awarded in these circumstances.
7. Best efforts will be made to obtain self-certification in accordance with CRS requirements, as outlined in (11) to (13). If the grant is being made in circumstances in which it is impossible to give the relevant information required in (2) in a timely manner, grants officers may approve a grant with an explanation recorded alongside the grant for why the relevant information could not be reasonably obtained. Examples of such cases may be a grant holder’s physical or mental capacity, sensitivity to the grant holder’s emotional state, or other justifiable reason to not supply information.

**When information is not forthcoming**

1. Where an individual or entity has not given self-certification or given information to resolve a conflict with existing information, [insert charity name]will write to account holder after 4 weeks requesting the relevant or additional information.
2. If an individual or entity has not given the relevant information following (9), [insert charity name] will write again to the account holder after 4 weeks have elapsed since the previous contact was made.
3. If an individual or entity has failed to provide the information after a reasonable period has passed,, the trustees may consider the reasons why, and if it is due to a lack of capacity or it has been unreasonable to expect the information to be provided, [insert charity name] reserves the right to make a grant after discussion and approval by the Board of Trustees. Examples of such cases may be a grant holder’s physical or mental capacity, sensitivity to the grant holder’s emotional state, or other justifiable reason to not supply information.

**Record keeping**

1. [Insert charity name]will keep records on all reportable grant holders for six years from the last date that individual or entity is reportable, and on all non-reportable grant holders for six years from the last date of self-certification, in accordance with CRS requirements.
2. Records will be kept in line with relevant data protection legislation and regulation [or if available reference existing data protection standard].
3. Record keeping for the purposes of CRS will be overseen by [insert officer role] and reviewed by the Board of Trustees as required.

**APPENDIX**

[Reportable person](https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim402015) – According to HMRC’s guidance, *“a Reportable Person is an individual or entity that is resident under the laws of the Reportable Jurisdiction, or for an entity that has no residence for tax purposes, the jurisdiction in which its place of effective management is situated. Some entities and individuals may be tax resident in more than one jurisdiction.”*

**Disclaimer**

*Please note that although ACF has tried to ensure all the information is correct, we do not guarantee the accuracy of these pages and any person using information contained in them does so entirely at their own risk. See our website for more information. If you have any doubts about your duties under CRS, please refer to the* [*guidance*](https://www.gov.uk/hmrc-internal-manuals/international-exchange-of-information/ieim404700)*, seek professional advice, or* [*contact HMRC*](mailto:enquiries.aeoi@hmrc.gsi.gov.uk)*.*