

Factsheet

Reasonableness test guidance

Reasonableness test component	Reasonableness test - checks to be performed
<p>Completeness</p>	<p>Check that:</p> <p>a) the following fields in the self-certification have been completed</p> <p>Individual (and each Controlling Person of a CRS Passive NFE or CRS FI - Managed Investment Entity)</p> <ul style="list-style-type: none"> • Name • Address • IRD number (NZ only) • US Person (US citizen) declaration for the purposes of the Foreign Account Tax Compliance Act (FATCA) • Countries of Tax Residence • TIN and/or Reason Code (if TIN not provided) for each foreign tax jurisdiction • Date of birth <p>Entity:</p> <ul style="list-style-type: none"> • Name of entity • Address • IRD number (NZ only) • Exempt US Entity declaration for the purposes of the Foreign Account Tax Compliance Act (FATCA) • Countries of Tax Residence • TIN and/or Reason Code (if TIN not provided) for each foreign tax jurisdiction <p>b) the self-certification has been signed and dated and where appropriate, the capacity in which the person is signing the form.</p> <p>c) all key fields or sections indicated with asterisk on the self-certification forms are completed.</p>
<p>Consistency</p>	<p>Check that there is no conflicting/inconsistent information within the self-certification.</p> <p>Example 1 - Your client's self-certification states that their 'Country of Tax Residence' is United Kingdom. However, their 'Country' of 'Physical Address' is France.</p> <p>Because of the inconsistent information, the self-certification fails the reasonableness test.</p> <p>Example 2 - Your client's self-certification indicates that he is a foreign tax resident of Denmark. Both a 'Tax Number' and a 'Reason Code' (i.e. Reason Code A) are provided in the self-certification.</p> <p>Because of the inconsistent information (i.e. Either a Tax Number or a Reason Code should be provided), the self-certification fails the reasonableness test.</p>
<p>Consistency</p>	<p>Check that there is no conflicting/inconsistent information between the self-certification and documentation collected pursuant to Anti-Money Laundering (AML)/Know Your Customer (KYC) procedures.</p> <p>Example 1 - Your client's self-certification indicates that he is not a foreign tax resident (i.e. NZ tax resident only). However, this information conflicts the documentation that you have collected in pursuant to AML/KYC.</p> <p>e.g. a document with a foreign address.</p> <p>Because of the conflicting information, the self-certification fails the reasonableness test.</p>

Reasonableness test component

Reasonableness test - checks to be performed

Accuracy/correctness Check that the 'Reason Code' provided by your client is valid. You should refer to the information set out on the OECD's [AEOI Portal TIN page](#) to determine the reasonableness of the account holder's claim.

Example 1 – Your client is a foreign tax resident of Brazil. The 'Reason Code' provided in the self-certification is Reason A – The country does not issue Tax Numbers or equivalent to its residents. However, a check of this in the AEOI Portal TIN page indicated that Brazil issues Tax Numbers to all residents for Tax purposes. Because this is inconsistent with the client's claim, the self-certification fails the reasonableness test.

Example 2 – Your client is a foreign tax resident of Belgium. The 'Reason Code' provided in the self-certification is Reason B – You are unable to obtain a Tax Number or equivalent. However, your client did not provide an explanation for using Reason B.

Because no explanation is provided for Reason B, the self-certification fails the reasonableness test.

How do I provide evidence that a Reasonableness Test has been conducted?

It is sufficient to manually mark the self-certification form, against the fields as shown in the example screen shot on the right, to provide evidence of the Reasonableness Test conducted (RT).

Use the RT Guide on this portal and follow the completeness and consistency checks for all fields to support your outcome.

A ✓ indicates a satisfactory field

A ✗ indicates an unsatisfactory field

Individual tax residency self-certification CFS customers only form

All fields marked * are mandatory

Section 1: Identification of individual account holder

Full legal name*

First James Date of birth* [D M Y Y]

Middle Richard

Last Donaldson

IRD number (NZ only) 1 2 3 4 5 6 7 8 9

Physical address*

Street address 23 Bond Street

Suburb Te Aro

Town/City Wellington Postcode 6011

Country [✗]

Tax rate required:

10.5% 17.5% 30% 33%

If no IRD number is provided, a tax rate of 45% p.a. will be applied.
If you have provided your IRD number but not selected a tax rate, a tax rate of 33% will apply.

Note:

- If there is pre-existing information on your client's file (held by you on the system or elsewhere) and/or you have knowledge of your client which conflicts with your client's self-certification obtained as part of the opening account process, this would constitute 'reason to know' that the self-certification is unreliable/incorrect.
 - In this case, your client's self-certification would fail the reasonableness test as you have reason to know that the self-certification is incorrect or unreliable.
- In the case of a self-certification that would otherwise fail the reasonableness test, it is expected that you would obtain either:
 - i) a valid self-certification; or
 - ii) a reasonable explanation and documentation (as appropriate) supporting the reasonableness of the self-certification. You should retain a copy or a notation of such explanation and documentation and provide this to us, on request.
- If you are unable to obtain either of the above i) or ii), it will not be possible to open an Interest Bearing Deposit account.