

**AEOI – Sample Questions for Compliance Check**  
**(For reference only)**

**Important Notes**

- The sample questions listed below are for reference only, and is subject to changes without notice.
- To ascertain a financial institution's compliance on AEOI, the Inland Revenue Department (IRD) may prepare tailor-made questions and request information and documents as considered appropriate in the circumstances of the case.

**(A) Due Diligence on Pre-existing Individual Accounts**

1. Indicate the approach(es) to the due diligence procedures adopted for the low value accounts and provide a copy of the relevant procedures.
2. Explain the procedures established to verify the address provided by each account holder against the documentary evidence obtained/collected.
3. Confirm whether the residence address on record was current and based on documentary evidence if residence address test was used to determine the jurisdiction of residence of the account holders of the low value accounts.
4. Confirm whether electronic record search would be adopted for the low value accounts where the residence address test could not be applied, e.g. mail sent to the current address was returned.
5. Confirm whether indicia related information was held in an electronically searchable format.
6. When the electronic record search gave indications of residence of the account holder that the financial institution considered might be incorrect, explain whether the financial institution obtained a self-certification from the account holder to cure the indicia.
7. Explain the procedures established to review electronically searchable data for all the indicia required for the low value accounts. In particular, state the procedures when only a hold mail instruction or in-care-of address was discovered but no other indicia were identified.
8. Explain the procedures established and applied to review the high value accounts.
9. Confirm whether master files were maintained for high value accounts and the files contained all of the required indicia related information/documents that could not be searched electronically. If no master files were maintained, state further paper documentation the financial institution would review.
10. Confirm whether the financial institution had any officers or employees who were assigned responsibility for high value account holders on an on-going basis, who advised the account holders on financial matters and/or arrange the provision of any financial products, services or assistance to meet their needs.
11. Explain the process where a relationship manager had actual knowledge that an account holder was a reportable person, such account was recorded and treated as a reportable account.
12. Explain the procedures established and applied to ensure that the relationship manager of the financial institution identified any change in circumstances of a high value account.

### **(B) Due Diligence on New Individual Accounts**

13. Confirm whether a self-certification was obtained upon the opening of a new individual account and its reasonableness was confirmed based on the information obtained in connection with the opening of the account, including any documentation collected pursuant to AML/KYC procedures.
14. Explain the procedures on ensuring that a valid self-certification was received for every new individual account and the follow up action(s) taken, where appropriate.
15. Explain the additional procedures established and applied if an account holder or controlling person declared themselves as tax resident in a jurisdiction included on the OECD list as having a potentially high risk residence and citizenship by investment (CBI/RBI) scheme.

### **(C) Due Diligence on Pre-existing Entity Accounts**

16. Confirm whether information maintained for regulatory or customer relationship purposes (including information collected and maintained pursuant to AML/KYC procedures) was reviewed to determine the residence of the entity account holder.
17. Explain the procedures established and applied to determine whether an entity was a reportable person.
18. Explain the procedures established and applied to identify whether the entity account holder was a passive Non-Financial Entity (NFE).
19. Explain the procedures established and applied to determine the controlling persons of an account holder which was a passive NFE.
20. Explain the procedures established and applied to determine the residence of controlling persons of an account holder which was a passive NFE.
21. Explain how the financial institution identified pre-existing entity accounts that were previously below the threshold for review, identification or reporting but subsequently exceeded the threshold.
22. Confirm whether publicly available information would be used to determine the reportable status of pre-existing entity accounts and provide details.

### **(D) Due Diligence on New Entity Accounts**

23. Confirm whether a self-certification was obtained upon the opening of a new entity account and its reasonableness was confirmed based on the information obtained in connection with the opening of the account, including any documentation collected pursuant to AML/KYC procedures.
24. Explain the procedures for ensuring a valid self-certification was received for every new entity account and the follow up action(s) taken, where appropriate.
25. Confirm whether the address of the principal office of the entity account holder was used to determine its residence if the entity certified that it was not resident for tax purposes of any jurisdiction.
26. Explain the procedures established and applied to identify whether the entity account holder was a passive NFE.
27. Confirm whether information collected and maintained pursuant to AML/KYC procedures was relied on to determine the controlling persons of an entity account holder.
28. Confirm whether a self-certification from the entity account holder or controlling person of a passive NFE was relied on to determine the residence of the controlling person.

29. Confirm whether publicly available information would be used to determine the reportable status of new entity accounts and provide details.

### **(E) Change in Circumstances**

30. Explain the procedures established and applied in respect of a change in circumstances that caused the financial institution to know or have reason to know that the original documentary evidence or other documentation was incorrect or unreliable and the self-certification obtained cannot be relied on.
31. Explain the handling/follow up action(s) taken if the self-certification and/or new documentary evidence could not be obtained.

### **(F) Optional Treatment in the Due Diligence Procedures**

32. Where the election was made with respect to an account holder that was a trust and a passive NFE and discretionary beneficiaries were reported in the year in which a distribution was received from the trust, explain the procedures established to identify the discretionary beneficiaries of the trust in the distribution year.

### **(G) Risk Assessments**

33. Indicate how many system maintaining account holder details. In the case that the financial institution had more than one system to maintain account holder details, explain the process in place to consider the details held across all of the systems in the due diligence procedures and follow-up actions if any inconsistent information held across systems.
34. Explain the procedures established and applied to identify and document the treatment of all financial accounts it maintained, including specific account types (e.g. undocumented accounts, dormant accounts and excluded accounts) which might pose a higher level of risk to AEOI compliance, and provide a copy of the documentation, if any.
35. If the financial institution reported any undocumented accounts, confirm whether the accounts were pre-existing individual accounts only.
36. If any of the undocumented accounts were high value individual accounts, confirm whether the financial institution re-applied enhanced due diligence procedures annually.
37. Explain the procedures established and applied to ensure the quality of the compliance work performed in respect of a change in responsible officer/contact person of the AEOI Account and provide a copy of the documentation, if any.
38. Confirm whether an external service provider was appointed to carry out due diligence and reporting obligations for or on behalf of the financial institution. If yes, provide the name of the external service provider and confirm whether procedures were established and applied to ensure close oversight and governance of the work performed by the external service provider.
39. Confirm whether an independent reviewer was engaged to periodically review the financial institution's internal controls and its compliance with the due diligence and reporting requirements. If yes, provide the name of the independent reviewer, frequency of the review and the scope of the review.

## **(H) Training**

40. Advise the last review date of the training materials.
41. Confirm whether there were policies and procedures (e.g. periodic training, training for on-boarding and documentation validation, update for legislation and guidance changes) to ensure the key personnel in compliance activities possessed the relevant skills and knowledge.
42. Provide the name and post of the officer who was responsible for carrying out due diligence and reporting obligations relating to the financial account information and a brief description on procedures to monitor and review the work of the responsible officer to ensure the financial institution complied with the due diligence and reporting requirements.

## **(I) Record-keeping**

43. Provide a copy of the procedures established and applied for the implementation, compliance and maintenance of AEOI documentation and advise the last review date of the procedures.
44. Confirm whether the key personnel for compliance activities had access to proprietary documentation as needed in order to fulfil the roles and responsibilities (e.g. policy and procedures, training documentation, etc).

## **(J) Data Extraction, Reporting and Managing errors**

45. Explain the procedures established and applied to extract complete and accurate data of reportable accounts maintained by the financial institution and prepare reports in accordance with the updated Financial Account Information Return XML Schema.
46. Explain the procedures established to ensure that internal checks were performed and approvals were obtained prior to the submission of AEOI return.
47. Explain the procedures in place to monitor the account information and correct discrepancies related to previously-filed returns in a timely manner.
48. Explain the procedures in place to investigate and address the root causes of errors to prevent similar occurrences in future reporting.