

Common Reporting Standard in Practice: Turning Regulatory Expectation to Effective Implementation



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Presented by: Rula Kiriakos – Head of Anti-Tax Evasion & ABC
Group Regulatory Compliance – Arab Bank

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Rula Kiriakos

Head of Anti-Tax Evasion and Anti-Bribery & Corruption at Arab Bank Group

- ❑ Leads the development and execution of the Anti-Tax Evasion and Anti-Bribery and Corruption Compliance Programs across Arab Bank Group.
- ❑ Established FATCA and CRS Compliance Programs across 20+ jurisdictions spanning MENA, Europe, Asia, and Australia.
- ❑ Spent 18 Years of experience working across risk, compliance and technology, including 14 years at Arab Bank Group Regulatory Compliance.
- ❑ Holds a Master's degree in Industrial Engineering from the University of Jordan and a Bachelor's degree in Communication Engineering from Hashemite University.



Agenda

- 1 Common Reporting Standard (CRS) Overview
- 2 CRS Due Diligence & Reporting Requirements
- 3 | Case Studies
- 4 Implementing effective CRS Compliance Program



Tax Evasion - Matters More than Ever

Meet Ahmad



- Ahmad lives in Jordan and is self employed;
- He transfers his cash receipts to a bank outside Jordan;
- He does not declare the amounts as income in Jordan.

Multiply this by Thousands

X



How can each country collect the appropriate amount of taxes?

This creates a **potential gap in tax visibility** and those gaps have consequences affecting everyone:

- **Unreported Income**

Foreign income may never reach tax authorities, creating a blind spot in the system

- **Unpaid Taxes**

Without information exchange, tax obligations remain unmet, not always by intent, but due to systemic gaps.

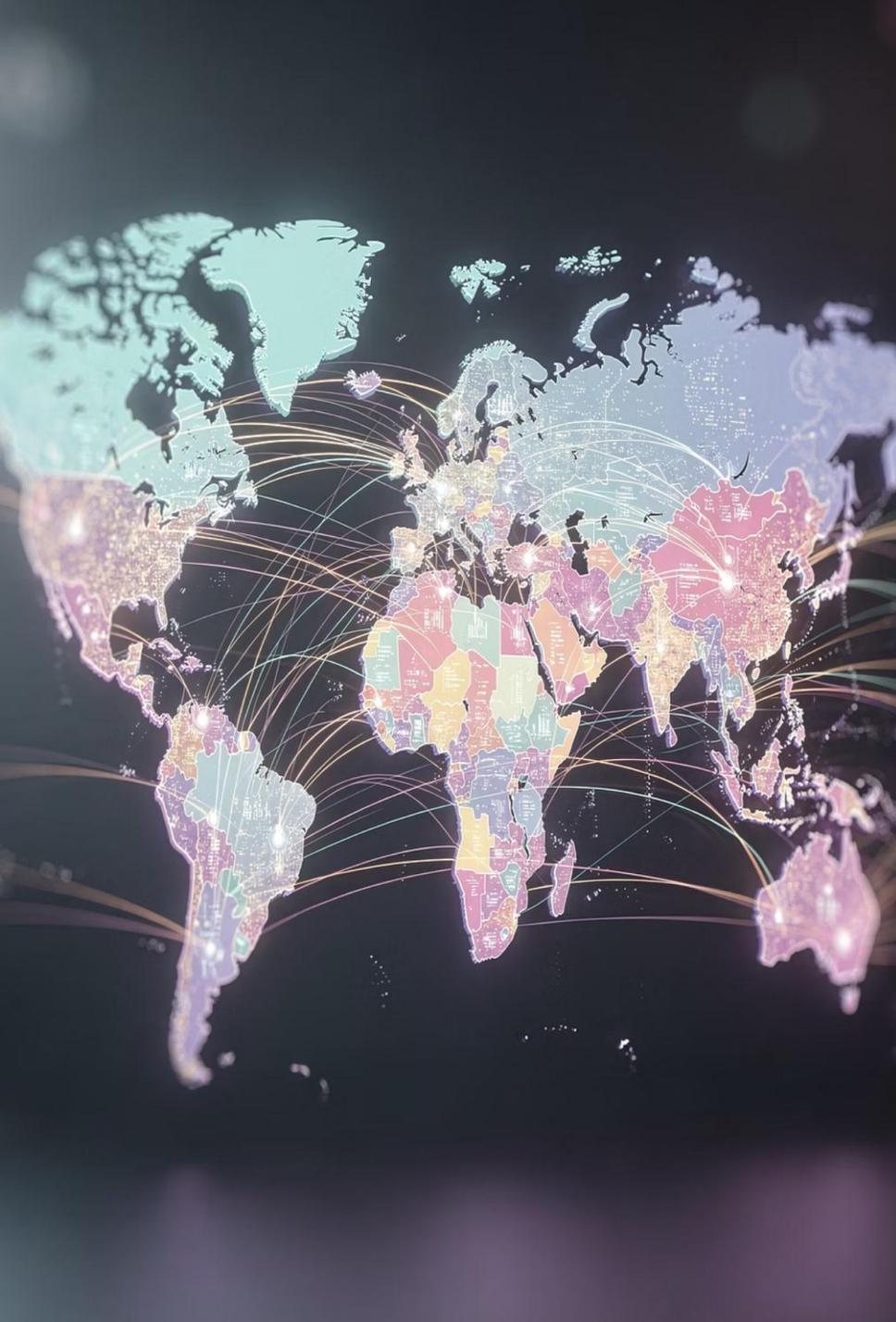
- **Unfair Burden**

When some income stays hidden, compliant taxpayers carry a disproportionate share of public costs.



This is the Gap that CRS was designed to close





How CRS Works – From Secrecy to Transparency

Tax evasion remains a key financial crime risk globally and across the MENA region. Regulatory expectations have evolved from FATCA to CRS, establishing a single global standard for the automatic exchange of financial account information. Developed by the OECD, CRS enables competent authorities to obtain visibility over offshore financial assets and income.



1. Banks Collect Information

Banks perform due diligence to identify customers' "Tax Residency".



2. Banks Report Information

Reportable information is submitted to the local competent authorities.



3. Countries Exchange Data

Competent authorities automatically exchange information with relevant jurisdictions



4. Taxes Are Paid Correctly

Accurate information ensures taxes are paid in the right country, closing the gap

Key Driver of CRS: Tax Residency

Tax residency is determined under each jurisdictions' domestic tax law. Criteria may vary across countries:

- **Individuals:** Physical presence is the main test, some jurisdictions also determine the tax residency of an individual as the ownership of a home.
- **Entities:** Some jurisdictions uses place of incorporation, other rely on place of effective management to determine the country of tax residence.



Tax Evasion - Matters More than Ever - Application of CRS

- Ahmad opens a saving account in the UAE to receive his transfers from Jordan.

Upon account opening, Ahmad completes CRS form and this requires to declare his country of Tax Residence as Jordan



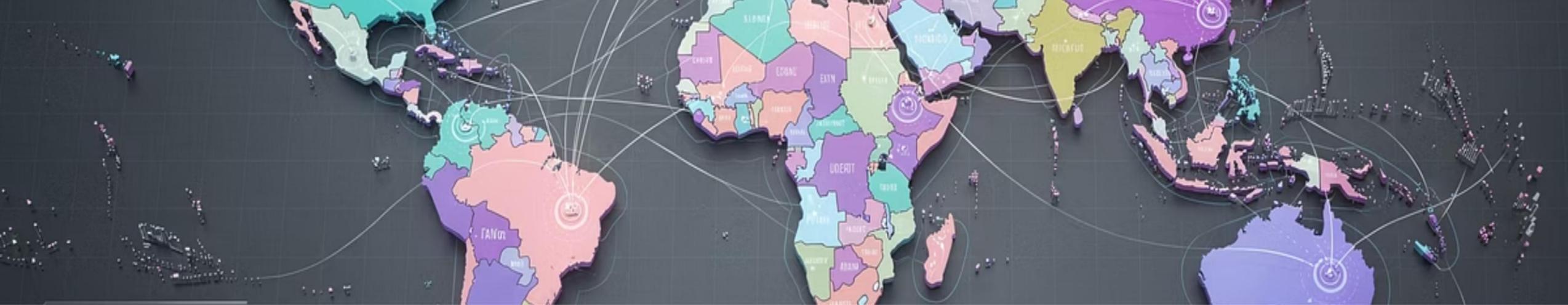
Bank X will send Ahmad's CRS information to the Central Bank of UAE



Central Bank of UAE will exchange Ahmad's CRS information with the Competent Authority in Jordan (e.g. Tax administration department)



How Ahmad end up with 1M USD in UAE?



The Current CRS Landscape: Where we are Today

Over 100 jurisdictions now participate in CRS, creating an unprecedented global network for automatic exchange of financial account information. This represents the most significant shift in tax transparency in modern history.

100+

Participating Jurisdictions

Countries committed to automatic information exchange

111M

Accounts Reported

Financial accounts exchanged globally in recent reporting cycles

€10T

Assets Disclosed

Total value of financial assets now subject to CRS reporting

Critical Insight: Tax transparency is now firmly embedded in supervisory expectations across all jurisdictions. Financial institutions must treat CRS compliance as a fundamental component of their regulatory obligations, not an isolated reporting requirement.



CRS Implementation in the Arab MENA Region*

Country	CRS Effective Date	Commitment to first exchange	Primary legislation	Guidance Notes	# of reportable countries
 UAE	1 Jan 2017	2018	✓	✓	All countries except UAE & US
 Kuwait	1 April 2017	2019	✓	-	78
 Bahrain	1 July 2017	2018	✓	✓	71
 Lebanon	1 July 2017	2018	✓	✓	64
 Qatar	1 July 2017	2018	✓	✓	67
 Saudi Arabia	8 Sep 2017	2018	✓	✓	82
 Oman	1 July 2019	2020	✓	✓	58
 Jordan	Pending	2023	Pending	Pending	Pending
 Morocco	-	2028	-	-	-
 Tunisia	-	2028	-	-	-

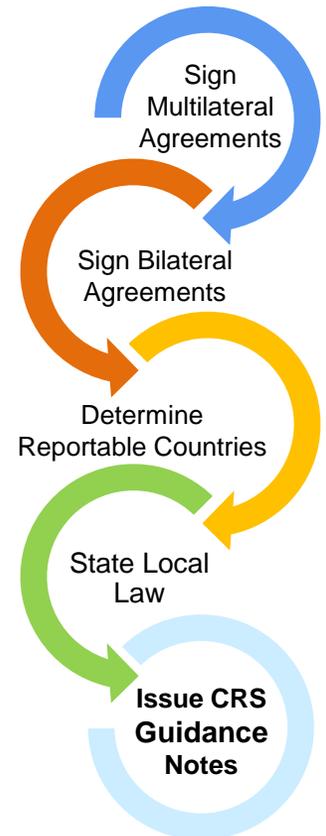
Last update as of 12 January 2026



CRS Implementation in Jordan

On December, 2019 Jordan joined the Global Forum on Transparency and Exchange of Information for Tax Purposes, which aims to combat tax evasion by applying agreed international standards for transparency and automatic exchange of information. Implementation is pending upon issuance of CRS Guidance by CBJ.

To implement CRS, the following actions need to be in place:



Issue CRS guidance notes to include the following:

- Detailed requirements for CRS implementation
- Effective date for newly on-boarded accounts
- Time frame for due diligence procedures for pre-existing accounts.
- Date for first reporting of information to Jordanian Competent Authority
- Rules to prevent circumvention of the CRS (anti-abuse provisions)
- List of reportable jurisdictions



CRS Due Diligence Requirements

	Individuals	Non - Individuals
New Accounts	<ul style="list-style-type: none"> Each new individual account holder must sign CRS self certification before account opening. Banks must confirm Reasonableness of the Self-Certification based on information obtained as part of account opening, AML/KYC procedures. 	<ul style="list-style-type: none"> Each new entity account holder must sign CRS self certification before account opening. For Passive Non Financial Entities, the controlling person must provide a self certification. Banks must confirm the Reasonableness of the Self-Certification based on information obtained as part of accounts opening, AML/KYC procedures.
Pre-Existing Accounts	<ul style="list-style-type: none"> Low Value Accounts: <ul style="list-style-type: none"> Residence Address or Electronic Record Search of indicia* High Value Accounts (<i>Accounts with balance equals and above \$1M as of end of each calendar year</i>) <ul style="list-style-type: none"> Electronic Record Search of indicia* Paper Record Search and Relationship Manager Inquiry - Actual Knowledge 	<ul style="list-style-type: none"> Determine if the entity is tax resident in a CRS Reportable Jurisdiction based on place of incorporation/organization or address in a Reportable Jurisdiction. Review & determine whether the entity is Passive Non Financial Entity with one or more Controlling Persons who are Reportable Persons.



* Indicia:

- Current residence address or mailing address in a reportable jurisdiction,
- One or more telephone numbers in a reportable jurisdiction and no telephone number in the jurisdiction of the reporting institution,
- Standing instructions to transfer funds to an account maintained in a reportable jurisdiction;
- Currently effective power of attorney or signatory authority granted to a person with an address in a reportable jurisdiction
- A "hold mail" instruction or "in-care-of" address in a reportable jurisdiction if the reporting financial institution does not have any other address on file for the account holder



CRS Reporting Requirements

Account Holder Information	
<ul style="list-style-type: none"> Name Address Date & place of birth Account Number Country of tax residence TIN of each country of tax residence 	Individual
<ul style="list-style-type: none"> Name Address Account Number Country of tax residence TIN of each country of tax residence 	Entity
<ul style="list-style-type: none"> Name Entity/CP Address Entity/CP Date and place of birth for CP Account Number Country of tax residence Entity/CP TIN of each country of tax residence for entity/CP 	Entity with Reportable CP



Financial Account Information	
Depository Account	<ul style="list-style-type: none"> Balance or value at the end of the reporting year Gross amount of credit interest paid or credited to the account
Custody Account	<ul style="list-style-type: none"> Balance or value at the end of the reporting year Gross amount paid or credited to the account as interest, dividends and gross proceeds
Other Accounts such cash value insurance contracts	<ul style="list-style-type: none"> Balance or value at of end of the reporting year Gross amount paid or credited to the accounts (including redemptions)



CRS Self Certification Form

Individual tax residency self-certification FORM *-(please complete parts 1-3 in BLOCK CAPITALS)*

Part 1 – Identification of Individual Account Holder

A. Name of Account Holder:

Family Name or Surname(s): * _____

Title: _____

First or Given Name: * _____

Middle Name(s): _____

B. Current Residence Address:

Line 1 (e.g. House/Apt/Suite Name, Number, Street, if any)* _____

Line 2 (e.g. Town/City/Province/County/State)* _____

Country:* _____

Postal Code/ZIP Code (if any):* _____

C. Mailing Address: (please only complete if different to the address shown in Section B)

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country: _____

Postal Code/ZIP Code: _____

D. Date of Birth* (dd/mm/yyyy)

E. Place of Birth

Town or City of Birth * _____

Country of Birth* _____

Part 2 – Country/Jurisdiction of Residence for Tax Purposes and related Taxpayer Identification Number or equivalent number* (“TIN”) (See Appendix)

Please complete the following table indicating (i) where the Account Holder is tax resident and (ii) the Account Holder’s TIN for each country/jurisdiction indicated. Countries/Jurisdictions adopting the wider approach may require that the self-certification include a tax identifying number for each country/jurisdiction of residence (rather than for each Reportable Jurisdiction).

If the Account Holder is tax resident in more than three countries/jurisdictions, please use a separate sheet

If a TIN is unavailable please provide the appropriate reason **A, B or C** where indicated below:

Reason A - The country/jurisdiction where the Account Holder is resident does not issue TINs to its residents

Reason B - The Account Holder is otherwise unable to obtain a TIN or equivalent number (Please explain why you are unable to obtain a TIN in the below table if you have selected this reason)

Reason C - No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction)

	Country/Jurisdiction of tax residence	TIN	If no TIN available enter Reason A, B or C
1			
2			
3			

Please explain in the following boxes why you are unable to obtain a TIN if you selected Reason B above.

1	
2	
3	



CRS Challenges

While the CRS framework is well-established, its implementation continues to present practical challenges. These challenges arise across the customer lifecycle, systems, and governance structures, and are increasingly highlighted through supervisory reviews:



1 TIN Validation & Collection

- When a TIN is Mandatory vs Optional
- What constitutes acceptable alternatives
- How far validation efforts should reasonably extend
- What documentation should be collected to verify TINs



2 Customer Reachability & Cooperation

- Outdated contact information
- Customers ignoring requests
- Lack of understanding the requirements
- Privacy concerns about data sharing



3 Mentoring Changes in Circumstances

- Customer information is scattered across multiple systems.
- Linking changes to CRS triggers
- Initiating timely reviews



4 Volume of Participating Jurisdictions

- The number of CRS participating jurisdictions increases complexity, particularly around different interpretations, documentation expectations, and reporting timelines. Keeping pace with these variations demands continuous monitoring and system updates.



5 Increased Regulatory Inquiries

- Supervisory inquiries became more detailed, customer-specific, and evidence-driven, requiring extensive explanations, supporting documentation, and remediation plans.
- FIs must maintain comprehensive audit trails and demonstrate robust governance frameworks.



Case Studies





Case Study 1: The Customer Who Moved and the CRS Self-Certification Form Did Not



Case Study No. 1 - Individual Customer

Our story begins with Rami who opens a personal account with Bank Y registered in Jordan:

Onboarding



2 Years Later

Customer relocates to Canada for employment.
Change indicators appear across banking systems



- ✓ Rami is working and residing in Jordan;
- ✓ He signed CRS Self-Certification Form as *Tax Resident in Jordan*
- ✓ Account classified as Non-reportable

 **CRS Classification correctly recorded**

-  Address updated to Canada
-  Phone number updated to a Canadian number
-  Salary received from a Canadian employer
-  **CRS classification not updated**



Case Study No. 1 - Individual Customer

The Regulator Comes Calling:

During a routine compliance review, the regulator employs a targeted sampling methodology designed to test the effectiveness of CRS controls:



 Regulator's Questions	 Bank's Responses	 Regulatory Concerns
<ul style="list-style-type: none"> How do you detect changes in a customer's tax residency? 	<ul style="list-style-type: none"> Once the customer has been relocated to Canada the address and phone number was updated in our system 	<ul style="list-style-type: none"> <i>Why didn't this address change trigger a CRS review?</i>
<ul style="list-style-type: none"> When was the last CRS form obtained from the customer? 	<ul style="list-style-type: none"> At the point of onboarding, approximately two years ago. 	<ul style="list-style-type: none"> <i>How do you ensure the self-certification Form remains valid and reflects current circumstances?</i>
<ul style="list-style-type: none"> Why was this account not reported under CRS given the customer's move to Canada ? 	<ul style="list-style-type: none"> The system continues to display Jordan as the country of Tax Residence based on the original self-certification from onboarding. 	<ul style="list-style-type: none"> <i>What controls ensure that CRS data accurately reflects the customer's current situation?</i>



Case Study 1 - Individual Customer

The Verdict: Ineffective Controls

The regulator's examination reveals systemic weaknesses that extend far beyond a single account. The findings paint a picture of compliance by accident rather than design.

Static Reliance & Unclear Ownership

CRS reporting depends entirely on onboarding data with no mechanism to ensure ongoing accuracy.

Disconnected Systems

Changes in circumstances captured in banking systems are not linked to CRS compliance processes.

Absence of reasonableness Checks

The KYC data is not checked across CRS Self-certification form.

Unclear Ownership

No defined responsibility for CRS reviews following customer data updates across departments

Official Finding: Ineffective change-in-circumstances controls

The Bank failed to establish adequate procedures to identify and act upon changes that could affect CRS classification and reporting obligations.





Case Study 2: Everything Looked Fine ... Until it Did not ...



Case Study No. 2 – Non Individual Customer

A Bank established in Jordan was subject to a routine CRS supervisory review:

- The Bank has been reporting under CRS for several years. Policies were approved, staff were trained, and reports were submitted on a timely basis. No major issues had been flagged internally.
- During a routine supervisory review, the regulator selected a sample of customers for detailed CRS assessment.

The Customer's Profile was as Follows:

The customer is a corporate entity registered in Jordan

The entity operates as a foreign branch of a company incorporated in the United Kingdom



The entity's line of business is construction

At account opening, the entity submitted CRS form, classifying itself as:

- Active NFE - Publicly listed
- with tax residence declared as Jordan.

Based on the information provided and documentation obtained, the Bank classified the entity as Non-Reportable for CRS purposes



Case Study No. 2 – Non Individual Customer

The regulator asked the following questions to the Bank:



Q1: How did you determine this customer is an Active NFE?

Bank Response: *We relied on the CRS form obtained at onboarding, in which the customer declared itself as an Active NFE – publicly listed.*



Q2: How was the information validated against KYC?

Bank Response: *We have performed a high-level, face value comparison against KYC information limited to the customer's name and registered address.*



Q3: Why was this customer not reported in the last CRS cycle?

Bank Response: *The Bank did not report the customer based on the CRS form in which the customer declared the country of tax residence is as Jordan.*

Findings

- 1** *Over-reliance on customer self-certification to determine CRS classification, without independent assessment or supporting analysis.*
- 2** *Inadequate validation of CRS self-certification against KYC information, particularly with respect to legal structure, foreign branch status, and country of incorporation.*
- 3** *Failure to properly assess and document tax residence, as the Bank accepted Jordan as the sole country of tax residence without considering whether the foreign branch of a UK-incorporated entity could trigger tax residence in another jurisdiction, in line with OECD CRS guidance.*



Best Practices for CRS Compliance Program

CRS compliance is not about perfect reporting: It is about being able to explain, evidence, and defend your decisions **Every. Single. Time.**



Governance

Establish a clear and consistent CRS governance framework covering:

- Account classification
- Due diligence and change-in-circumstances procedures
- Escalation, decision-making, and approval protocols
- Comprehensive documentation standards across all business units



Robust Systems

Implement fit-for-purpose CRS technology that enables:

- Automated data collection & validation controls
- Embedded CRS business rules and reporting logic
- Seamless integration with onboarding and KYC systems
- Audit-ready workflows that ensure accuracy, completeness, & timeliness



Continuous Monitoring

Embed CRS into day-to-day compliance oversight through:

- Ongoing monitoring & quality assurance testing
- Internal audits & periodic thematic reviews
- Tracking regulatory updates & implementing timely system changes
- Proactive issue identification before reporting deadlines



Training

Build sustainable CRS capability by:

- Delivering targeted, role-based training for front office, operations, and compliance
- Refreshing training regularly to reflect regulatory changes
- Promoting accountability and ownership across the first and second lines of defense

CRS compliance is a continuous journey, not a destination. **Regulations will evolve. Customer circumstances will change. Regulators will come.** Banks that succeed are those that build **sustainable, defensible frameworks** designed for the long term—not just for the next examination cycle.



Thank you

