

# Automatic Exchange of Financial Account Information

COMMON REPORTING STANDARD  
ENTITY CLASSIFICATION QUESTIONNAIRE



MINISTRY OF FINANCE  
REPUBLIC OF THE MARSHALL ISLANDS

## Document History

History of versions and changes made to the *Republic of the Marshall Islands Common Reporting Standard (CRS) Entity Classification Questionnaire*:

Version	Summary of Changes	Date Published	In Effect as of
1.0	Initial Version	July 8, 2024	July 8, 2024
...			

## Abbreviations & Acronyms

<b>Abbreviation/Acronym</b>	<b>Meaning</b>
<b>AEOI Act</b>	Automatic Exchange of Financial Account Information Act 2016, 48 MIRC Ch. 5, available at: <a href="https://rmiparliament.org/">https://rmiparliament.org/</a>
<b>AEOI Regulations</b>	AEOI Regulations 2016, as amended, available at: <a href="https://rmicourts.org/selected-regulations/">https://rmicourts.org/selected-regulations/</a>
<b>CRS</b>	Common Reporting Standard, including the Commentaries thereon, available at: <a href="https://www.oecd-ilibrary.org/taxation/standard-for-automatic-exchange-of-financial-account-information-in-tax-matters-second-edition_9789264267992-en">https://www.oecd-ilibrary.org/taxation/standard-for-automatic-exchange-of-financial-account-information-in-tax-matters-second-edition_9789264267992-en</a>
<b>Global Forum</b>	OECD Global Forum on Transparency and Exchange of Information for Tax Purposes
<b>MIRC</b>	Marshall Island Revised Code
<b>NFE</b>	Non-Financial Entity
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RMI</b>	Republic of the Marshall Islands
<b>TIN</b>	Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number)

## Introduction

This *CRS Entity Classification Questionnaire* is issued pursuant to the AEOI Act. Under §508 of the Act, the Secretary of Finance administers and enforces compliance with the Act and the AEOI Regulations.

### 1. Background

The CRS, developed by the Global Forum, requires jurisdictions to obtain information from domestic financial institutions on accounts held by non-resident individuals and entities. The information is then securely transmitted to the tax authorities in the account holders' country of residence.

In the RMI, the CRS is implemented by reference through the AEOI Act and AEOI Regulations, as amended. Reporting and exchange of CRS data are handled through MDES (<https://mdes.rmimof.com/MDES/>).

A key aspect of the CRS reporting requirements is to ensure the correct scope of financial institutions that are required to collect and report the information. These are defined in the CRS as "Reporting Financial Institutions." Each entity must determine its own classification for purposes of the CRS. However, RMI authorities may inquire to determine whether an entity has been classified correctly.

### 2. Purpose

The purpose of this *CRS Entity Classification Questionnaire* is to help ensure you are classified correctly under the CRS. The responses will be used by the Ministry of Finance to understand the nature of your business and how it fits within the CRS framework.

This questionnaire is not intended to alter or override existing legal requirements. It should be read in conjunction with the AEOI Act, the AEOI Regulations, and the CRS. Any term that is not defined in this questionnaire has the meaning set forth in the AEOI Act, the AEOI Regulations, or the CRS.



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**CRS Entity Classification Questionnaire**

1. General Information

Entity Details	
Entity Name:	
Principal Place of Business:	
Branch Locations (if any)	
Tax Residence(s) (and TIN(s)):	
Jurisdiction of Incorporation/Organization:	
Does the entity have a GIIN ( <a href="#">link</a> ), issued by the United States Internal Revenue Service for purposes of the Foreign Account Tax Compliance Act (FATCA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

2. Is the entity a Reporting Financial Institution?

a. Is it a Financial Institution?

Is the entity a Custodial Institution (e.g., custodian bank, central securities depository)?	
Does the entity hold, as a substantial portion of its business, <sup>i</sup> financial assets <sup>ii</sup> for the account of others (see Section VIII(A)(4) of the CRS)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is the entity a Depository Institution (e.g., savings bank, commercial bank, credit union)?	
Does the entity fall under one or more of the following descriptions of a Depository Institution: <ul style="list-style-type: none"> <li>• A bank licensed under the Banking Act 1987, 17 MIRC Ch. 1 (<a href="#">link</a>)?</li> <li>• An entity that accepts deposits in the ordinary course of a banking or similar business (see Section VIII(A)(5) of the CRS)?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is the entity an Investment Entity (e.g., collective investment vehicle, private equity fund, venture capital fund)?	
Does the entity fall under one or more of the following descriptions of an Investment Entity: <ul style="list-style-type: none"> <li>• An entity that primarily<sup>iii</sup> conducts as a business one or more of the following activities or operations for or on behalf of a customer:               <ul style="list-style-type: none"> <li>i) trading in money market instruments (checks, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;</li> <li>ii) individual and collective portfolio management; <u>OR</u></li> <li>iii) otherwise investing, administering, or managing financial assets<sup>ii</sup> or money on behalf of other persons (see Section VIII(A)(6)(a) of the CRS)?</li> </ul> </li> <li>• An entity the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets,<sup>ii</sup> if the entity is managed by<sup>iv</sup> another entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity (see Section VIII(A)(6)(b) of the CRS)?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is the entity a Specified Insurance Company (e.g., life insurance company)?	
Is the entity an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a cash value insurance contract <sup>v</sup> or an annuity contract (see Section VIII(A)(8) of the CRS)?	<input type="checkbox"/> Yes <input type="checkbox"/> No

b. Is it an RMI Financial Institution?

Is the entity an RMI Financial Institution?	
<p>If the entity is a Financial Institution (i.e., if “Yes” to any above), does it fall under either of the following definitions of an RMI Financial Institution (see §502 of the AEOI Act):</p> <ul style="list-style-type: none"> <li>• A Financial Institution that is resident<sup>vi</sup> in the RMI (excluding any branch outside the RMI)?</li> <li>• A Financial Institution that is not resident in the RMI but has a branch located in the RMI?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

c. Is it a Non-Reporting Financial Institution?

Is the entity a Non-Reporting Financial Institution?	
<p>If the entity is an RMI Financial Institution (i.e., if “Yes” above), does it fall under any of the following categories of Non-Reporting Financial Institutions:</p> <ul style="list-style-type: none"> <li>• A Governmental Entity, International Organisation, or Central Bank, other than as specified under Section VIII(B)(1)(a) of the CRS?</li> <li>• A retirement or pension fund specified under Section VIII(B)(1)(b) of the CRS?</li> <li>• A Qualified Credit Card Issuer (see Section VIII(B)(1)(b) of the CRS)?</li> <li>• An Exempt Collective Investment Vehicle (see Section VIII(B)(1)(d) of the CRS)?</li> <li>• A trustee-documented trust (see Section VIII(B)(1)(e) of the CRS)?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

### 3. Is the entity an Active Non-Financial Entity (NFE)?

Is the entity an Active NFE (e.g., manufacturer, wholesaler, retailer)?	
<p>If the entity is <u>not</u> a Financial Institution, does it fall under one or more of the following descriptions of an Active NFE:</p> <ul style="list-style-type: none"> <li>• Less than 50% of its gross income is passive income and less than 50% of its assets produce passive income (see Section VIII(D)(9)(a) of the CRS)?</li> <li>• A publicly traded NFEs (see Section VIII(D)(9)(b) of the CRS)?</li> <li>• A Governmental Entity, International Organisation, Central Bank, or a wholly owned entity thereof (see Section VIII(D)(9)(c) of the CRS)?</li> <li>• A holding NFE that is a member of a nonfinancial group (see Section VIII(D)(9)(d) of the CRS)?</li> <li>• A start-up NFE (see Section VIII(D)(9)(e) of the CRS)?</li> <li>• An NFE that is liquidating or emerging from bankruptcy (see Section VIII(D)(9)(f) of the CRS)?</li> <li>• A treasury centre that is a member of a nonfinancial group (see Section VIII(D)(9)(g) of the CRS)?</li> <li>• A non-profit NFE that meets the requirements specified in Section VIII(D)(9)(h) of the CRS?</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

## 4. Comments

Comments?	
Please provide any additional information or comments related to the responses provided above:	

Declaration			
<b>I/WE CONFIRM THAT I AM/WE ARE AUTHORIZED TO SUBMIT THESE RESPONSES TO THIS QUESTIONNAIRE ON BEHALF OF THE ENTITY IDENTIFIED ABOVE.</b>			
<b>I AM/WE ARE KNOWLEDGEABLE ON THE ENTITY'S BUSINESS, AND I/WE CERTIFY UNDER PENALTY OF PERJURY THAT THE RESPONSES ABOVE ARE COMPLETE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE AND BELIEF.</b>			
Full Name	Position	Date	Signature

<sup>i</sup> An entity holds financial assets for the account of others as “a substantial portion of its business” if its gross income attributable to the holding of financial assets and related financial services equals or exceeds 20% of the entity’s gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

<sup>ii</sup> “Financial assets” include securities (e.g., stocks, bonds), partnership interests, commodities, swaps (e.g., interest rate swaps), insurance contracts, annuity contracts, or any interest therein. They do not include non-debt, direct interests in real property.

<sup>iii</sup> An entity is treated as “primarily” conducting as a business one or more of the relevant activities, or an entity’s gross income is primarily attributable to investing, reinvesting, or trading in financial assets, when the entity’s gross income attributable to the relevant activities equals or exceeds 50% of the entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence.

<sup>iv</sup> An entity is “managed by” another entity if the managing entity performs, either directly or through another service provider, any of the activities or operations described in Section VIII(A)(6)(a) of the CRS on behalf of the managed entity. However, an entity does not manage another entity if it does not have discretionary authority to manage the entity’s assets (in whole or part).

<sup>v</sup> A “cash value insurance contract” is an insurance contract (other than an indemnity reinsurance contract between two insurance companies) that has a cash value. “Cash value” is the greater of (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and (ii) the amount the policyholder can borrow under or with regard to the contract. “Cash Value” does not include an amount payable under an insurance contract in the circumstances specified in Section VIII(C)(8) of the CRS.

<sup>vi</sup> See the OECD’s Commentary on Section VIII of the CRS, para. 4-5 ([link](#)), for context on the meaning of “resident” under the CRS.