

# EXCHANGE OF INFORMATION

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# EXCHANGE OF INFORMATION CAN TAKE PLACE THROUGH

- ▶ FULL TAX TREATY
- ▶ TAX INFORMATION EXCHANGE AGREEMENT
- ▶ OTHER BILATERAL AGREEMENTS
- ▶ MULTILATERAL AGREEMENTS
- ▶ THREATS

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- ▶ **MORE AND MORE INFORMATION IS EXCHANGED  
AND CAN BE EXCHANGED**



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## HOW MUCH DOES IT BRING IN?

- ▶ NORWAY: NORDIC AGREEMENT HAS BROUGHT IN NOK 800 MILLION SINCE 2006
- ▶ APPROXIMATELY USD 10 MILLION A YEAR

# OECD NEW GLOBAL STANDARD

- ▶ FOR AUTOMATIC EXCHANGE OF FINANCIAL INFORMATION IN TAX MATTERS
- ▶ FROM BANKS AND FINANCIAL INSTITUTIONS
- ▶ ANNUAL BASIS
- ▶ 311 PAGES !

# MULTILATERAL COMPETENT AUTHORITY AGREEMENT

- ▶ DEFINITIONS
- ▶ TYPE OF INFORMATION
- ▶ TIME AND MANNER OF EXCHANGE
- ▶ HOW TO COOPERATE AND ENSURE COMPLIANCE
- ▶ CONFIDENTIALITY AND SAFEGUARDS
- ▶ CONSULTATION ON OPERATION



▶ AGREEMENT BASED ON OECD REPORT ON  
EXCHANGE OF INFORMATION



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- ▶ INTENDED AS A MINIMUM STANDARD
- ▶ MANY SIMILARITIES TO FATCA



## NEW CONCEPT

- ▶ **CRS: COMMON REPORTING AND DUE DILIGENCE STANDARD - RULES FOR DUE DILIGENCE PROCEDURES AND REPORTING**

# CRS

- ▶ WHO REPORTS?
- ▶ WHAT IS REPORTED?
- ▶ WHOSE ACCOUNTS?
- ▶ NEEDS TO BE TRANSLATED INTO DOMESTIC LAW
- ▶ DUE DILIGENCE

# WHAT FINANCIAL INFORMATION IS REPORTED?

- ▶ INVESTMENT INCOME
- ▶ ACCOUNT BALANCES
- ▶ SALES PROCEEDS FROM FINANCIAL ASSETS
- ▶ INCOME FROM CERTAIN INSURANCE PRODUCTS

# WHO IS REQUIRED TO REPORT?

- ▶ BANKS
- ▶ CUSTODIANS
- ▶ BROKERS
- ▶ CERTAIN COLLECTIVE INVESTMENT VEHICLES
- ▶ CERTAIN INSURANCE COMPANIES

# WHOSE ACCOUNTS?

- ▶ INDIVIDUALS
- ▶ ENTITIES, INCLUDING TRUSTS AND FOUNDATIONS
- ▶ LOOK THROUGH REQUIREMENT FOR PASSIVE ENTITIES TO INDIVIDUALS
- ▶ APPEARS NOT TO INCLUDE GOVERNMENTS

# DUE DILIGENCE

- ▶ **DISTINCTION BETWEEN:**
  - ▶ **INDIVIDUALS AND ENTITIES**
  - ▶ **PRE-EXISTING AND NEW ACCOUNTS**


# PRE-EXISTING INDIVIDUAL ACCOUNTS

- ▶ REVIEW ALL ACCOUNTS, ENHANCED PROCEDURES FOR HIGH VALUE ACCOUNTS
- ▶ NEW INDIVIDUAL ACCOUNTS: SELF CERTIFICATION

# PRE-EXISTING ENTITY ACCOUNTS

- ▶ SELF CERTIFICATION
- ▶ IS IT PASSIVE?
- ▶ ACCOUNTS BELOW USD 250.000 NOT SUBJECT TO REVIEW
- ▶ NEW ENTITY ACCOUNTS: NO DI MINIMIS PROVISION



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- ▶ WHERE RESIDENCE IS UNCLEAR ALL COUNTRIES WHICH MAY BE RELEVANT WILL BE INFORMED
  - ▶ IF INSTITUTION IS AWARE THAT SELF CERTIFICATION UNRELIABLE OR INCORRECT IT MAY NOT RELY ON IT
  - ▶ INDIVIDUAL ACCOUNTS SHOULD BE AGGREGATED, AS SHOULD ENTITIES

# EARLY ADOPTERS

▶ FROM 2016

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# THE EU IS ALSO BUSY

- ▶ PROPOSAL FOR ON COMPULSORY SPONTANEOUS EXCHANGE OF INFORMATION ON RULINGS RELATED TO PREFERENTIAL REGIMES
- ▶ EVEN IF INFORMATION NOT REQUESTED BUT MAY BE USEFUL
- ▶ SHOULD RELATE TO NO OR LOW TAX RATE
- ▶ BASICALLY SO TAX AUTHORITIES CAN CHECK EACH OTHER