

EXCHANGE OF INFORMATION: OECD COMMON REPORTING STANDARD

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EXCHANGE OF INFORMATION CAN TAKE PLACE THROUGH

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

OECD NEW GLOBAL STANDARD

- ▶ FOR AUTOMATIC EXCHANGE OF FINANCIAL INFORMATION
- ▶ FROM BANKS AND FINANCIAL INSTITUTIONS
- ▶ ANNUAL BASIS

REPORT CONSISTS OF:

- ▶ EXPLANATION
- ▶ MODEL COMPETENT AUTHORITY AGREEMENT AND REPORTING STANDARD
- ▶ MODEL AUTOMATIC EXCHANGE AGREEMENT
- ▶ COMMON STANDARD ON REPORTING

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

NEW CONCEPTS

- ▶ **CAA: MODEL COMPETENT AUTHORITY AGREEMENT - RULES FOR EXCHANGE OF INFORMATION**
- ▶ **CRS: COMMON REPORTING AND DUE DILIGENCE STANDARD - RULES FOR DUE DILIGENCE PROCEDURES AND REPORTING**

CAA

- ▶ DEFINITIONS
- ▶ TYPE OF INFORMATION
- ▶ TIME AND MANNER OF EXCHANGE
- ▶ CONFIDENTIALITY AND SAFEGUARDS
- ▶ GENERALLY NEED NOT BE TRANSLATED INTO DOMESTIC LAW

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

- ▶ MAY BE NECESSARY TO CREATE BASIS FOR AUTOMATIC EXCHANGE WITH MULTILATERAL AGREEMENT SUCH AS THE MULTILATERAL CONVENTION ON MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS
- ▶ THIS STILL REQUIRES A SEPARATE AGREEMENT BETWEEN THE VARIOUS PARTIES

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

- ▶ 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

WORK ONGOING

- ▶ DETAILED COMMENTARY
- ▶ COMPATIBLE TRANSMISSION SYSTEMS AND STANDARD FORMAT