

# FATCA NEWSLETTER

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## Common Reporting Standard (CRS) implementation - Automatic Exchange of Information

In September 2013 the Group of twenty (G20) met to discuss the proposal to unify the automatic exchange of information into a single standard throughout the Globe. The Organisation for Economic Co-operation and development (OECD) council approved the request from the G20 on 15 July 2014. In August 2015 the first edition off the CRS implementation handbook was published with practical guidance to assist government officials in the implementation of the standard.

The automatic exchange of information standard helps to increase efficiency for financial institutions and governments implementing the standard by promoting the consistent use of optional provisions, identifying areas for alignment with Foreign Account Taxpayer Compliance Act FATCA and addressing the operational and transactional challenges resulting from the staggered implementation of the standard. The standard is very similar to the Model 1 IGA that many jurisdictions will use for implementing the United States Foreign Account Taxpayer Compliance Act (FATCA).

The standard specifies the financial account information to be exchanged and the financial institutions that need to report. The standard requires not only deposits-taking banks to report, but also custodial institutions and certain investment and insurance entities, and the reason behind that is to capture a wider range of information. Similar to the FATCA reporting the type of account information to be reported on includes account balances, interest, dividends, sale and redemption proceeds from financial assets. Jurisdictions have announced their plan to implement the new standards and 50 jurisdictions will work towards having their first information exchange by September 2017 and more will follow in 2018.

Source: <http://www.oecd.org/>

## Overview on FACTS

- 94 jurisdictions have committed to AEOI (Automatic Exchange of Information)
- 51 jurisdictions have signed the MCCA (Multilateral Competent Authority Agreement) in October 2014
- 48 jurisdictions committed to start automatic exchange of information by 2017
- The new CRS system is supposed to transfer all the relevant information automatically and systematically. This agreement is informally referred to as GATCA (the global version of FATCA)
- Endorsing countries included all 34 OECD countries, as well as Argentina, Brazil, China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, Malaysia, Saudi Arabia, Singapore, and South Africa.
- In September 2014, the G20, at its meeting in Cairns, Australia, issued the G20 Common Reporting Standard Implementation Plan as part of its official resources.

Source: <http://www.internationaltaxreview.com/Article/3459320/61-countries-have-now-signed-up-for-automatic-exchange-of-tax-information.html>

### Upcoming events at Keypoint!

1. Workshop - FATCA Reporting, Compliance Management & Audit - 16<sup>th</sup> September 2015
2. Seminar - AML/Compliance - 30<sup>th</sup> September 2015

For more information and to register please feel free to contact us:

[event@keypoint.me](mailto:event@keypoint.me), [chahira.ashcroft@keypoint.me](mailto:chahira.ashcroft@keypoint.me), +973 17206870/ 17206888

For more information, enquiries and events please do not hesitate to contact: *Ranjith Kumar* on [ranjith.kumar@keypoint.me](mailto:ranjith.kumar@keypoint.me) or *Chahira Ashcroft* on [chahira.ashcroft@keypoint.me](mailto:chahira.ashcroft@keypoint.me)