DIRECTION GÉNÉRALE
DES FINANCES PUBLIQUES

Liberté • Égalité • Fraternité
RÉPUBLIQUE FRANÇAISE

AUTOMATIC **EXCHANGE OF INFORMATION**

A global device to tackle tax evasion

Objective & principle

Over 90 jurisdictions have committed to an annual, automatic exchange of financial account information from 2017 (EU states and early adopters) or from 2018 (other adopters) under what is called the Common Reporting Standard. This new standard has arisen out of international agreements by governments and tax authorities.

The CRS requires financial institutions to perform due diligence procedures and to transmit systematically financial data from their non-resident clients. The type of information and the due diligence to put in place for all financial accounts are defined by the CRS.

Example

- *X, fiscally resident in jurisdiction A has an account with a bank in jurisdiction B;*
- *The bank applies the due diligence procedures which are outlined by the CRS;*
- *The bank communicates in an electronic format to the tax authority of B the information concerning the financial accounts of its client X;*
- *The fiscal authority of B transmits these information automatically and electronically to the jurisdiction A;*
- *The fiscal authority of A could verify the information regarding the foreign financial accounts of X.*

The tax authorities recognise the importance of financial institutions' role and financial institutions around the world will soon be collecting this data. It is also important that financial institutions' customers are aware that their data will be shared with their jurisdiction of residence, in order to tackle offshore tax evasion.

Who is involved?

A broad range of financial institutions are covered by the CRS including custodial institutions, depository institutions, investment entities and specified insurance companies.

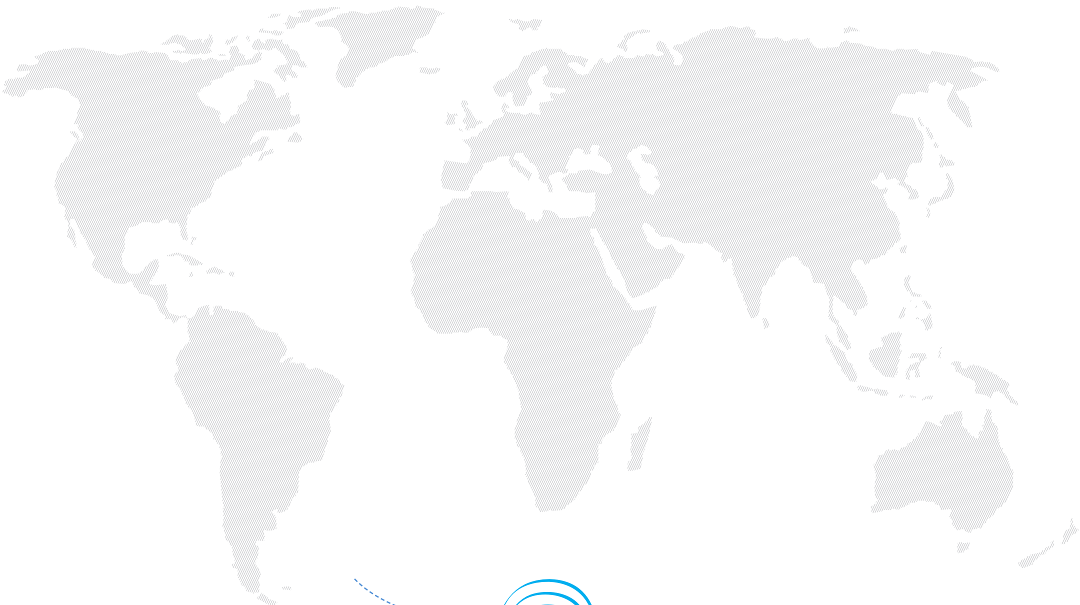
What information is reported?

The financial institutions have to identify the reportable accounts according to the CRS-rules which distinguish between the category of accounts. Reportable accounts are accounts held by individuals and entities (including trusts and foundations), and passive entities must be looked through to report on the relevant controlling person.

The financial information to be reported include interests, dividends, account balances, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account.

Time line for collection and reporting of information

For EU states and jurisdictions of "early adopters" *(Choose this column if 2017 is the beginning of the automatic exchange of information in your jurisdiction)*	For jurisdiction of other adopters *(Choose this column if 2018 is the beginning of the automatic exchange of information in your jurisdiction)*
01.01.2016 The CRS data capture obligation is introduced: reportable accounts must be identified by financial institutions.	**01.01.2017** The CRS data capture obligation is introduced: reportable accounts must be identified by financial institutions.
Mid 2017 Financial institutions have to transmit the collected data to the tax administration (regarding calendar year 2016).	**Mid 2018** Financial institutions have to transmit the collected data to the tax administration (regarding calendar year 2017).
09.2017 The collected data is transmitted by the compe-tent tax authority to every relevant tax authority of the jurisdiction of residence (regarding calendar year 2016).	**09.2018** The collected data is transmitted by the compe-tent tax authority to every relevant tax authority of the jurisdiction of residence (regarding calendar year 2017).
From 2018 on Identifying and transmission of reportable accounts on a regular basis.	**From 2019 on** Identifying and transmission of reportable accounts on a regular basis.



This document does not replace the official documentation.