

## Automatic Exchange of Financial Information

The Automatic Exchange of Financial Information will be implemented for the first time in September 2017, applying to information as from 1 January 2016. Practically, what this means is that financial information of physical persons who directly, indirectly or beneficially own or control bank and other financial accounts outside their country of tax residency, will be disseminated to their country of tax residency and in some cases in their country of domicile.

This is a globally coordinated initiative towards transparency and combating tax evasion, and it targets individuals and organizations which maintain bank accounts in countries where they are not tax residents. The tax administration where such individuals or organizations are tax residents will be receiving information from the country where the bank accounts are maintained and consequently it can check whether the taxpayer has reported the relevant income in his country of tax residency.

The exchange of information will be facilitated through a global common reporting standard whereby financial institutions in each participating country will collect and report to their local tax authorities, information about their non-resident clients. The local tax authorities will automatically exchange this information annually with the tax authorities of the participating countries. The information to be reported includes bank account number, balances, account turnover, income earned, etc. Reportable persons include account holders, beneficial owners, controlling persons and/or relevant persons of entities and trusts.

Until today approximately 100 countries have committed to implementing this standard. Early adopter countries will implement the first exchange of information in 2017, in respect of 2016 information and late adopter countries will implement the first exchange of information in 2018, in respect of 2017 information. There are also some countries which have indicated interest in adopting the Automatic Exchange of Information Standard and are currently in negotiations but have not yet committed to the implementation of the Standard. It is expected that these countries will eventually commit as late adopters. The lists of adopting countries are set below:

### **Early Adopters (First reporting in 2017 in respect of 2016 information)**

Anguilla, Argentina, Austria, Barbados, Belgium, Bermuda, Bulgaria, British Virgin Islands, Cayman Islands, Chile, Colombia, Croatia, Curacao, Cyprus, Czech Republic, Denmark, Dominican Republic, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Greenland, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Montserrat, Netherlands, Niue, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago, Turks and Caicos, Uruguay, United Kingdom.



**Late Adopters (First reporting in 2018 in respect of 2017 information)**

Albania, Andorra, Antigua and Barbuda, Aruba, Australia, Bahamas, Belize, Brazil, Brunei Darussalam, Canada, Costa Rica, China, Grenada, Hong Kong, Indonesia, Israel, Japan, Macao, Malaysia, Marshall Islands, Monaco, New Zealand, Qatar, Russia, Saint Kitts & Nevis, Samoa, Saint Lucia, Saint Vincent, Saudi Arabia, Singapore, Saint Marten, Switzerland, Turkey, United Arab Emirates.

**Countries currently in negotiation but which have not yet committed**

Bahrain, Cook Islands, Nauru, Panama, Vanuatu

Should you require any further information or clarifications regarding the above, please do not hesitate to contact us:

**APC Audit Tax Advisory Ltd**

T: +357 22445004

E: [info@apccpa.eu](mailto:info@apccpa.eu)

F: +357 22445007

W: [www.apccpa.eu](http://www.apccpa.eu)