

Automatic Exchange of Information for Financial Accounts



C. Papacostopoulos & Associates (CPA Law) is a Greek law firm, an independent member of the KPMG International Legal and Tax network offering a full range of legal services.

A new global tax landscape

In an era of massive radical changes in the field of international taxation, cross-border administrative assistance and close cooperation in tax matters have become the most effective tools in a coordinated global combat against tax avoidance and tax evasion.

In this context, the Automatic Exchange of Financial Account Information plays a key role in addressing sophisticated tax avoidance practices and eliminating offshore tax evasion through cross-border shifting of financial investment profits. Information of financial accounts must be mutually disclosed between the Tax Authorities of different States by providing details on accounts, account holders and beneficial owners.

Reporting Financial Institutions (i.e. bank institutions, investment entities, depository institutions and insurance institutions) must thoroughly examine whether they comply with relevant strict regulatory standards. At the same time, account holders and beneficial owners must carefully assess any risk exposure and, if necessary, reconsider their business, investment and operation structures so that they fully comply with the new regulatory framework.

CRS

Targeting to the adoption of an efficient automatic exchange of information standard based on a globally uniform process, the OECD has issued the Common Reporting Standard (CRS) to be the new global standard for the Automatic Exchange of Financial Account Information.

CRS introduces a set of minimum standard rules for the automatic exchange of information, common due diligence processes and specific procedures for the collection of financial account information through a standardized technical format for the reporting, transmission and storage of the data exchanged.

A network of more than 100 Jurisdictions around the globe have already been committed to adopt the CRS and automatically exchange information of accounts on a bilateral and annual basis. Over 2 000 bilateral agreements have already been in place, with the first scheduled exchange in 2017. Greece is among the Jurisdictions that have already adopted and integrated into domestic law the CRS.

FATCA

The Foreign Account Tax Compliance Act (FATCA) is a process almost identical to the CRS. It consists of rules providing the cross-border automatic exchange of information of financial accounts, account holders and beneficial owners, on a bilateral and annual basis, between the US and countersigned States. Greece is among the States that have already adopted the Intergovernmental Agreement (IGA) Model 1A for the FATCA, which sets the reciprocal annual automatic exchange of financial account information between the US and Greek Competent Authorities.

Our Services

Services that may be provided to both individuals and entities include:

Services to Account Holders & Beneficial Owners

- Annual assessment of the account holders in order to identify if they are Reportable Persons for CRS/FATCA purposes.
- Entity Classification in order to identify if an Entity is a Passive Non-Financial Entity.
- Identification of the Controlling Reportable Persons for CRS/FATCA purposes.
- Legal assistance on the completion and submission of the self-certification form provided by the Financial Institutions and concerning the preexisting and new financial accounts.
- Training seminars, informing individuals, investors, managers and employees on the legal framework, the procedures and the impacts of CRS/FATCA.
- Ad hoc advice on an ongoing basis.

Services to Reporting Financial Institutions

- Entity Classification in order to identify if an Entity is considered as Reporting FI obliged to report information to the Tax Authority.
- Legal assistance on the due diligence rules and procedures for the review, the identification and the reporting of preexisting and new reportable accounts.
- Review of the self-certification forms and the informative letters provided to existing and prospective account holders.
- Training seminars on the legal framework, the due diligence procedures and the sanctions.
- Ad hoc and ongoing advice on emerging issues.

For further information please contact:

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