

AEOI AUTOMATIC EXCHANGE OF INFORMATION

NEW DIRECTIVE

The new directive introducing the automatic exchange of financial information will come into force on 1 January 2016.

Automatic Exchange of Information (AEOI), Common Reporting Standard (CRS), European FATCA... these are just a few of the names commonly understood to refer to the new directive introducing the automatic exchange of financial information.

Purpose and legal framework

The AEOI is an initiative of the Organisation for Economic Cooperation and Development (OECD) to combat international tax evasion. The 'jurisdictions' (countries) can participate in the AEOI upon the signing of a multilateral agreement – *multilateral Competent Authority Agreement (mCAA)* – with other countries taking part.

At the end of June 2015, some 100 jurisdictions, including all members of the European Union, had pledged to participate. The system will be introduced in two stages:

- for some 60 countries (including EU Member States, Jersey and the Cayman Islands), this system of information exchange will come into force on 1 January 2016, with a first declaration of information in June 2017;
- for the other participating countries (including Switzerland, Hong Kong and Singapore), it will come into force on 1 January 2017, with a first declaration in June 2018.

The AEOI requires that any Belgian investment institution checks whether holders of their accounts are tax resident or not in other countries of the AEOI system. If they are, the bank must report these account holders to FPS Finance, which will transmit this information to the tax authorities of the country of residence for tax purposes.

Who is subject to the AEOI system?

In Belgium, the AEOI targets:

- the natural persons and legal entities who have their **tax residence** in another AEOI country;
- certain legal entities (passive non-financial entities) whose **beneficial owners** are individuals taxable in another AEOI country.

If a customer is taxable in another AEOI country, BNP Paribas Fortis is **bound to declare** the following information to this country:

- identity details;
- account balance;
- income earned on accounts (interest and dividends);
- gross amount of proceeds from the sale of financial securities.

The reporting requirements apply to current accounts, savings accounts, term accounts and securities accounts, insurance contracts with a surrender value (thus providing for the payment of capital) and annuity contracts (thus providing for the payment of an annuity).





What does this mean in real terms?

BNP Paribas Fortis will contact **customers** if:

- elements suggest they have their **tax residence** in another AEOI country;
- this concerns **legal entities** who must indicate their AEOI classification (active, passive, etc.);
- this concerns **passive entities** who must identify the people who hold the control (beneficial owners).

New customers will have to complete a “self-certification” form so that we can determine whether or not they are taxpayers in another AEOI country. Legal entities must also declare their AEOI classification and patrimonial/passive entities must certify the residences for tax purposes of the persons in control of these entities.

It is important to note the following if you wish to become a customer, open a securities account or take out an insurance product with cash value:

When entering into a relationship, requesting the opening of securities accounts or taking out certain types of insurance, be prepared to provide us with your residence for tax purposes and your Tax Identification Number (TIN). Your Belgian TIN is not required.

The following official websites will help you determine your residence for tax purposes and TIN.

- definitions of the tax residences according to the AEOI jurisdictions:
<http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>
- definitions of Tax Identification Numbers:
 - European countries:
https://ec.europa.eu/taxation_customs/tin/tinByCountry.html?locale=fr
 - all participating countries in the AEOI:
<https://search.oecd.org/tax/automatic-exchange/tinsandtaxresidency/taxidentificationnumberstins/>

Find out more: [OECD website](#)