

Automatic Exchange of Information

Overview

In order to fight against tax evasion the G20 nations have settled up a global standard of Automatic Exchange of Information (AEOI), which it finds its application through the Common Reporting Standard (CRS).

The CRS has been defined by the Organisation for Economic Co-operation and Development (OECD) further to the G20 nations, the EU and other stakeholders.

How does the AEOI works?

The AEOI is based on a series of agreement signed between different countries which adhere to the OECD program. Object of the transmission between countries will be information related to individual/legal entity, financial accounts and financial information

Name	Date of Birth (in case of individuals)	Account Number
Address		Entity classification and Role of the Controlling Persons in case of Passive NFE
Tax Domicile	Tax Identification Number (TIN)	Name and identifying number of the reporting FI
Financial information Account balance, gross amount of interest, dividends and other income, gross proceeds		



Of each Account Holder and Controlling Person

Identification procedures

The purpose of the AEOI is to identify all the persons who hold assets in financial accounts in a jurisdiction which is outside their jurisdiction of tax residence and to providing to the competent tax authority information about them and their financial accounts.

In order to be subject to the AEOI a person should have its tax residence in a participating jurisdiction and, at the same time, holding a financial account in another participating jurisdiction which is not the same of its tax residence. In case of a financial account hold by a legal entity/corporate which is classified as reportable will be subject to AEOI too. Moreover, if the legal entity is classified as passive because of its income structure, also the individuals controlling this entity will be reported.

The exchange of the information will take place only if an AEOI agreement between the two countries have been signed, without it the person or the legal entity won't be subject to the AEOI.

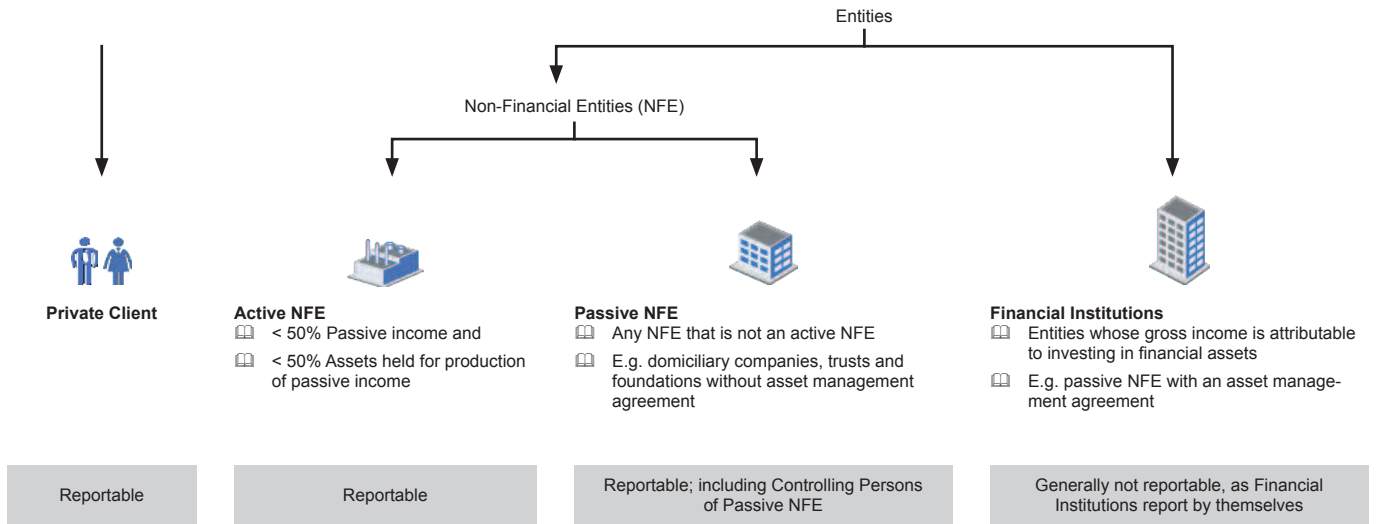


Agreement to exchange Information



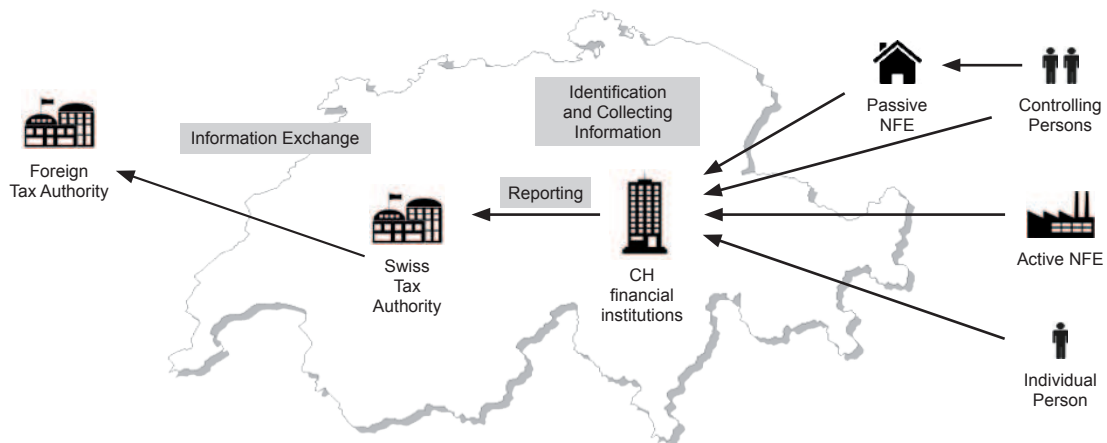
Procedure for a correct identification of reportable accounts

In order to identify the information to be transmitted by the Financial Institution to the tax authority an analysis on the financial account is performed in order to identify the tax residence of the client. No information about account holder resident in a NON participating jurisdiction will be transmitted. In case of an individual pre-existing account, the account holder is qualified as a reportable person for AEOI purposes if he/she is resident in a participating jurisdiction according to the documentation already in the possession of the Financial Institution. Financial accounts hold by entities will be subject to an analysis in order to identify the reportable status of the account holder. If the entity is qualified as active Non Financial Entity (NFE), the information will be reported to the competent tax authority of the entity, but not to those of the shareholders. If the entity is qualified as passive NFE, the information will be reported to both tax authorities, the one competent for the entity and those competent for the beneficial owners of the entity. If the entity is qualified itself as Financial Institution, than it will be the entity itself that will report the information. For all new clients the information will be collected through a document named self-certification. For entities the self-certification will require the Status between FI, active NFE and passive NFE



How does the information transmission work?

The Financial Institution who holds financial assets on behalf of a reportable person/legal entity will report the information to its local tax authority, which will transmit the information to the client's tax residence authority.



Effective date

Switzerland has been applying the AEOI since 1 January 2017. The updated list of countries who signed an agreement with Switzerland is available on the website of the State Secretariat for International Finance (www.sif.admin.ch) following this link: https://www.sif.admin.ch/sif/en/home/multilateral/steuer_informationsaust/automatischer-informationsaustausch/automatischer-informationsaustausch1.html