



# CyF Publications

Common Reporting Standard (CRS)

Automatic Exchange of Information

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*Together we aspire, together we achieve*

As the world becomes increasingly globalised and cross-border activities become the norm, tax administrations need to work together to ensure that taxpayers pay the right amount of tax to the right jurisdiction.

The Common Reporting Standard (CRS) calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

Unfortunately, there is a lot of confusion and misinformation regarding this matter. Answers to simple questions, such as, which accounts will be reported, to whom will they be reported and which jurisdictions participate are not easy to find.

As a general rule, the accounts of “Active Non Financial Entities” (i.e. companies which are not financial institutions and do not primarily receive passive income or primarily hold assets that produce passive income such as dividends, interest and rents) are not reportable under CRS. However, CRS is a complicated matter and the automatic exchange of information has not been tested yet. As a result, only a very few people around the world can call themselves experts on the subject.

We, therefore, believe that the most reliable source of information is the website of OECD itself, which provides official answers to most of the questions that you may have.

The links below will help you navigate through, what we believe to be, the most important sections of the website:

- CRS Home:  
<http://www.oecd.org/tax/automatic-exchange/>
- Participating Jurisdictions:  
<https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/#d.en.345489>
- CRS Implementation handbook:  
<http://www.oecd.org/ctp/exchange-of-tax-information/implementation-handbook-standard-for-automatic-exchange-of-financial-account-information-in-tax-matters.htm>

For more information, please contact us.

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