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## **GLOBAL MOBILITY SERVICES GROUP**

# **Report:** The Common Reporting Standard - What Does It Mean For Expatriates?

Governments worldwide are continuing their search for additional tax revenue. The Common Reporting Stand (CRS) allows countries to obtain information from their Financial Institutions (FIs) and automatically exchange that information with other countries with the stated aim of increased tax transparency and the prevention of tax evasion. So far, over 90 jurisdictions have signed up to CRS. In this short report, Global Mobility tax experts at Alliot Group, an international association of accounting and law firms, explain the basics of CRS, what's happening in their jurisdictions and why expatriates (*and high net worth individuals*) need to take particular note.

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Demands for more standardised levels of tax reporting compliance at the international level have been increasing over the last decade. First there was the Foreign Account Tax Compliance Act (*FATCA*) in 2010, implemented in the United States to tackle tax evasion by its citizens holding assets offshore, legislation that has also affected expatriates living in the USA. And now we have what some refer to as “global FATCA” in the shape of the Common Reporting Standard (*CRS*). Established in 2014 by the Organisation for Economic Development (*OECD*), CRS is a genuine “game changer” and was introduced in response to a request by the G20. Unprecedented levels of financial account information are to be exchanged between many national governments as they look to clamp down on tax evasion, put an end to banking secrecy and address the perceived leakage of tax to other jurisdictions.

## What is the Common Reporting Standard?

The CRS is an internationally agreed standard for the automatic exchange of financial account information (“*AEOI*”) that obliges a jurisdiction’s financial institutions (*such as banks, trust and insurance companies, and corporate service providers*) to report to their respective tax authority specific information on an annual basis about the financial accounts held by non-residents and entities including companies, partnerships, trusts and foundations based in countries that have implemented CRS. It works on a reciprocal “I’ll show you mine if you show me yours” basis.

As an example, an expatriate who is tax resident/paying taxes outside the country where he or she banks, should be aware that their bank will give their personal account information to the local tax authority, which may then be shared on an annual basis with the tax authority where he or she is tax resident.

According to OECD Secretary General Angel Gurría, the objectives of CRS are not to increase anybody’s tax burden, but “*to enhance the collection of taxes due under current law.*”



Luc Lamy, chair of Alliot Group's Global Mobility Services Group and partner at Tax Consult in Brussels, sees the CRS as a force for good, commenting:

*"While every jurisdiction has a certain amount of leeway in their implementation, CRS will contribute to the battle against tax evasion and also protect the integrity of participating jurisdictions' tax systems. The ambitious aim is to implement CRS globally by the end of 2018 – it is therefore essential reading for expatriates, high net worth individuals, holding companies and of course the professional advisers such as those within Alliot Group member firms who advise them."*



## How will tax treaties be affected?

Automatic information exchange regimes such as CRS or FATCA (in use in the U.S. since 2010 and on which the CRS protocol is modelled) are intended to be stronger deterrents to cross border tax evasion than treaty-based information sharing (i.e. exchange on request) which can still be used to acquire information about specific individual taxpayers, but whose practical usefulness is being superseded by the new CRS tax regime.



## What type of information will be collected and disclosed?

Expatriate workers need to be aware that their individual accounts as well as dividends, interest and other incomes earned outside their countries of origin (or “tax residence”) will be under investigation. The following information will now be collected and shared by national revenue bodies in those jurisdictions (currently 101 jurisdictions in total) committed to implementing CRS:

- ✔ Identifying data (name, address, Taxpayer Identification Number and date and place of birth)
- ✔ Jurisdiction of residence of individual
- ✔ Account balances
- ✔ Income paid on the account including interest and dividends
- ✔ Proceeds from the redemption of an account/sale of financial assets.

Expatriates and high net worth individuals with investments in a different jurisdiction should also note that unlike under FATCA, there are no minimum account balance thresholds.

## Who is most likely to be affected by CRS?

Those who hold significant reportable financial assets offshore in the form of foreign investments or property are the most likely group to be affected by CRS implementation, should their jurisdiction adopt it.



Jamie Towers, partner at Brisbane accounting firm member Hanrick Curran, adds:

*“Information about unauthorised assets held in different jurisdictions, as well as undeclared income generated by such assets, will soon become available to national governments as a result of the automatic exchange of this account information.”*

The impact of CRS will be felt differently depending on the type of bank accounts and investments held by the individual, where the expat is located, whether a business is being operated and other circumstances.

## What are the risks posed by CRS?

Within the next two years, authorities in revenue hungry countries will have access to a huge volume of information on individuals and companies.



According to John Nelson, Managing Director at Dixcart Trust Corporation, Allriott Group member firm in Guernsey:

*“Offshore tax planning and wealth management have become synonymous with tax evasion in many people’s eyes and as a result have become highly politicised globally. With revelations of offshore assets (for whatever reason) the perception is of non-compliance which comes with the potential for reputational damage. People may assume that it is the high profile, big impact clients (Politically Exposed People, Commercially Exposed People and Media Exposed People) who are being targeted, but the average expatriate should not assume they will go under the radar.”*

## When does CRS come into effect and which countries have signed up?

In total, 101 jurisdictions have agreed to start automatically exchanging information by 2018 under CRS - an initial 54 jurisdictions have committed to sharing their 2016 calendar year information on an automatic basis by 30 June 2017, with the other 47 jurisdictions committed to a first CRS reporting in 2018.



Fred Krabbendam, managing director at Borrie, member in the Netherlands, comments:

*“This global push towards coordinated tax reporting compliance will involve approximately 1,300 bilateral relationships being in place by 2018, if all goes according to schedule. Major financial centres including Hong Kong, the BVI, the Cayman Islands, Dubai, Hong Kong, Luxembourg, Ireland, Switzerland and Singapore have all given their blessing to CRS and will start the automatic exchange of information by 2018. Even jurisdictions with blemished reputations for fiscal transparency (such as Panama) are signed up.”*

A list of jurisdictions that have committed to start reporting in 2017 is provided at the end of this report, along with a list of jurisdictions committed to report in 2018.





**David Gibbs, partner at London member firm Alliotts and Chair of the association's International Tax Services Group comments:**

*"CRS is live and expatriates should not assume it won't apply to them. Financial institutions are already busy collating information, ready for transmission around the world in Spring 2017. Expats need to come forward to normalise their affairs with tax authorities and disclose any assets held offshore – there will be significant reputational and financial risks for lack of compliance."*

## **What can expatriates do to ensure their compliance?**

Each jurisdiction implementing CRS will have issued guidance notes regarding when it will report and the extent of the information that will need to be submitted.



**Simon Perchard, Director at Jersey member firm Volaw Group comments:**

*"Financial services businesses acting for parties such as expatriates and high net worth individuals with overseas investments including property must have procedures to 'onboard' new clients to ensure information relevant to CRS is collected from the beginning of the relationship and maintained throughout that period. Tax authorities will be coping with huge volumes of data: it is in the client's interests to ensure that documentation such as self-certification forms are returned fully completed so that the correct TINs, addresses, etc, are reported by the financial services provider to the tax authorities and information can then be accurately matched to their personal tax records. As a service provider, we must have the relevant CRS information on all clients."*

Under CRS, all professional advisers must inform their expatriate clients who are affected that information about their financial affairs is being provided to the local tax authority for onward transmission to the jurisdiction where they are tax resident. Their clients must be informed at least 30 days before the report is submitted.



**Isabelle Paré, senior manager at Hardy Normand et Associés, member firm in Montreal, Canada, adds:**

*"Account information is going to be exchanged automatically in bulk by national tax authorities, even if expatriates have done nothing wrong. If clients are worried, they should talk to their professional advisers as soon as possible to regularise their affairs and/or ensure that their future and historic tax structures are compliant."*

*There are numerous voluntary disclosure programmes available to expatriates and Canadian residents with accounts offshore – they are advised to contact their professional advisers to get their support in co-ordinating and liaising between disclosure programme advisers and authorities across each of their relevant jurisdictions."*





## Voluntary disclosure programmes

Those who have concerns or who have been advised by their banks or professional services advisory firms to review their affairs should seek to regularise and clear up their tax affairs rather than wait to see how things play out. 46 voluntary disclosure programmes (VDPs – see appendix) are available across the world; however, it is critical to act now as these ‘amnesty’ programmes may only be available for a short time.



In the UK, HMRC’s Worldwide Disclosure Facility (WDF) runs until 30 September 2018 with Jackie Hendley, Head of Tax for Smith Cooper commenting:

*“The WDF is the last opportunity for clients with outstanding tax liabilities to come forward before someone knocks on their door. The WDF offers no special terms: those who come forward will pay the tax in full, with interest on top, with a minimum penalty of 30% of the tax due for evaders, and they could still face criminal prosecution. The quality of the information disclosed will be taken into consideration and it is always advisable to come forward and ensure any outstanding tax liabilities are in order as soon as possible. With HMRC having the ability to charge penalties of up to 200%, early disclosure can help to minimise potential penalties.”*





## A country by country round-up



### United States

The U.S. has not committed to the CRS and most believe the country will continue on a FATCA-only basis for the foreseeable future as the information needed on U.S. taxpayers who maintain foreign bank accounts can be received through FATCA.



**Scott Shapiro, partner at Weber Shapiro comments:**

*"Quite simply, the view here is that we don't need CRS as we have the Foreign Account Tax Compliance Act (FATCA) which helps the IRS to stop American citizens evade payment of U.S. taxes whether they are living and working abroad or hold investments somewhere else outside the U.S. Whether it is fair or not, FATCA is not based on reciprocity with the IRS being the recipient, not the provider, of tax information."*



**Bruce Miltzok, partner at Farkouh, Furman & Faccio in New York, adds:**

*"A major stumbling block to adopting CRS is that it is seen to undermine banking confidentiality - in the U.S., banking regulation is divided between the Federal and State Government and most States would be averse to the Federal government trying to interfere in their affairs. So whether the U.S. will repeal FATCA and adopt CRS to help other countries close their tax gaps remains to be seen."*

**i The U.S. is a non-participating jurisdiction.**



### UK



**David Gibbs, partner at Alliotts comments:**

*"The UK is an early adopter of CRS, and UK tax residents with carefully designed and international wealth planning structures must pay careful attention to this new reporting regime and plan accordingly. With careful planning, such individuals can still preserve their wealth while remaining compliant."*



**Jackie Hendley, Head of Tax at Smith Cooper adds:**

*"UK expatriates will be affected as many of them, quite understandably, choose to bank in offshore financial centres governed by UK law and within the UK banking system. While this is perfectly above board and advantageous from a tax point of view, under CRS, financial institutions in these jurisdictions are obliged to report information on the expatriate's bank account to their local revenue service and transmit it automatically to HMRC in the UK. Should any UK tax residents not be compliant in their reporting to HMRC, then it may trigger a tax investigation, fines and potential criminal penalties. However, it should be borne in mind that CRS is aimed at combatting tax evasion, not lawful tax mitigation and opportunities for tax planning are still available but need the help of a tax expert to ensure they stand up to scrutiny."*

**📅 First reporting to partners under CRS in September 2017.**



**China**



**Ken Lee, partner at Beijing accounting firm member Lee & Lee Associates comments that those most affected in China will be**

*"Chinese citizens who have significant financial assets held overseas, especially cash in the bank."*

**Lee adds that China is taking this seriously as part of measures to reform its tax system generally and prevent capital from escaping the country:**

*"We are already seeing signs that the government will punish non-compliance by revoking business licenses and downgrading financial institutions' credit ratings. Expatriates working in China and Chinese residents investing in other jurisdictions need to seek advice to regularise their affairs accordingly."*

**📅 First reporting to partners under CRS in September 2018.**

 **Australia**

**Jamie Towers, partner at Hanrick Curran, comments:**

*“Australia has arrangements in place to receive information from 50 jurisdictions and send information to 41. We anticipate that further jurisdictions sending information to Australia will be added over the next 12 months. Australian expatriate workers will need to ensure they do not fail to make the proper tax declarations in Australia and the same goes for foreign tax residents living and working in our country - anyone who harbours doubts about the legitimacy of their current arrangements would be wise to have them checked by their professional advisers.”*

**i** First reporting to partners under CRS in September 2017.

 **Germany**

**Ralph Blaes, partner at actis AG in Saarbrücken, comments:**

*“Germany was one of the key drivers of the CRS initiative and implemented it early on into domestic law. There are agreements in place with 87 jurisdictions and the information flow will start in Germany in September 2017 for the year 2016. From 2017, the German Central Tax Administration will be accepting the input of data. It is in the interest of all stakeholders, whether individual expatriates or employers assigning expatriates, to investigate if the benefits granted so far or the placements that have been made are in accordance with tax compliance rules - failure to comply may lead to tax consequences for both employee and employer. Ignorance of the law is no protection against the negative consequences of a tax offence and Germany’s tax authorities have the right to go back over a period of 10 years.”*

**Blaes adds:** *“As members of Alliot Group, we have the advantage to be able to check and assess the tax situation internationally with our fellow members.”*

**i** First reporting to partners under CRS in September 2017.





**Italy**



**Giorgio Marcolongo, partner at Sorefisa, comments:**

*"CRS was implemented in Italy on 1st January 2017. To date, specific rules for the use of these measures to tackle tax evasion have not been approved. Meanwhile, Europe has accelerated its efforts to fight tax evasion and international tax fraud by approving (in December 2016) an amendment to the EU Directive 2011/16 on tax administrative cooperation. However, there are many who think that if the IRS decides to use information from CRS to give a 'show of force', voluntary disclosure 2.0, whose terms have been extended until July 2017, would see rapid uptake. CRS is now live and expatriates should not assume it won't apply to them.*

**Marcolongo adds:** *"A major breakthrough in Italy's commitment to the fight against international tax evasion had already occurred in 2015, when law no. 95/2015 accepted the FATCA agreement with the U.S. Indeed, Italy was among the five EU countries that joined with the U.S. in 2013 in the fight against tax evasion in communicating to the European Commissioner for Taxation that they wanted to set up a "pilot" programme for the multilateral automatic exchange of information.*

**📅 First reporting to partners under CRS in September 2017.**



**Austria**



**Bernhard Rothenbuchner, partner at Viennese accounting firm member Rothenbuchner & Partner comments:**

*"Step-by-step and depending on the account balances, the number of accounts which will need to be transferred to Austria's tax authority is expanding. Starting in 2017, with accounts opened since October 1st 2016. From September 2019, all non-residents' accounts will be reported on. This will be the end of banking secrecy in Austria. We strongly recommend that our clients, especially expatriates and their employers, get specialist advice based on their concrete tax situation - disregard for the new regulations may also result in detailed investigations into the past. We will quickly analyse clients' individual situations and offer clear strategies to comply with legal requirements."*

**📅 First reporting to partners under CRS in September 2017**



## Spain



**Sergio Torras, partner at Torras & Asociados in Barcelona, comments:**

*“Spanish ‘foreign’ residents must take into account the controls conducted by the Spanish government since 2012 in the shape of Form 720. This requires tax residents in Spain to inform the Spanish tax authorities about assets located abroad – this could lead to tax payments and possible high penalties. The exchange of information with many countries will result in the information of residents abroad to not be ‘hidden’ anymore. However, it should be noted that there is a special tax regime for new tax residents in Spain through which it is possible to achieve tax savings under certain conditions.”*

**i** First reporting to partners under CRS in September 2017.



## Belgium



**Luc Lamy, partner at Tax Consult in Brussels, comments:**

*“Following a number of financial scandals including Luxleaks, Offshoreleaks, Swissleaks and the Panama Papers, Belgian resident and non-resident taxpayers will be affected by CRS. Indeed, CRS regulations will affect Belgian taxpayers under two different scenarios; in the first instance, when a Belgian resident taxpayer holds a bank account abroad, and secondly, where a Belgian non-resident taxpayer holds a bank account in Belgium. As the purpose of implementing CRS is the international exchange of information, the Belgian tax authorities will obtain from foreign counterparts pertinent information relating to Belgian residents’ investments abroad. At the same time, the Belgian tax authorities will communicate information they have collected to the expatriate’s country of residence. While this situation seems straightforward, in Belgium there is still an issue in relation to how CRS regulations should be interpreted in the case of Belgian expatriates benefitting from the Belgian special tax regime (STR) for foreign specialists and expatriates.”*





**Lamy adds:** *“These expatriates, through application of the Belgian STR, qualify in Belgium as non-resident taxpayers who are no longer residents of another country for tax purposes. As a result, these expatriates would appear to not be affected by CRS regulations as for these individuals, there is no Residency State the Belgian authorities should communicate the information to. This implies henceforth a tendency to consider these particular expatriates as Belgian resident taxpayers for the purpose of CRS. The Belgian financial assets of these expatriates will be taxable in Belgium and will not be subject to any information exchange required under CRS. Moreover, the foreign income of these expatriates will not be taxable nor subject to any declaration in Belgium as the Belgian non-resident taxpayers are exclusively taxable on their Belgian-sourced income.”*

**📅 First reporting to partners under CRS in September 2017.**



**Canada**



**Isabelle Paré, senior manager at Hardy Normand et Associés in Montreal, explains how Canada will need to reconcile CRS with its FATCA reporting requirements:**

*“The 2016 Legislative Proposals amended the FATCA due diligence requirements to be consistent with the due diligence procedures proposed for CRS. CRS expands upon FATCA by obliging Canadian financial institutions to identify and report to the Canadian Revenue Authority information about accounts held by expatriates who are tax resident in any country other than Canada or the U.S. Reportable accounts held by U.S. citizens will continue to be reported to the CRA under FATCA, rather than the CRS. It should be noted that one critical difference between the CRS and FATCA is that FATCA provides exemptions for certain small accounts (below a US\$50,000 threshold) held by individuals but CRS does not.”*

**📅 First reporting to partners under CRS in September 2018.**

 **Guernsey**

**i** First reporting to partners under CRS in September 2017.



**John Nelson, Managing Director at Dixcart Trust Corporation in St Peter Port, also adds:**

*"Guernsey is already reporting under U.S. FATCA and UK CDOT (replaced by CRS) with effect from September 2015."*

 **Hong Kong**

**Tony Cheung, partner at Hong Kong member Lawrence Cheung CPA Company Ltd, comments:**

*"CRS rules became effective through legislation introduced on 30 June 2016. Hong Kong has already signed bilateral agreements with Japan and the UK to exchange information in 2018 and Korea in 2019, and our Government is committed to finalising as many Competent Authority Agreements as possible in 2017. As well as expatriates from various countries working here, wealthy Chinese people who have set up family trust funds or purchased life insurance policies in Hong Kong will need to pay attention as their accounts are now reportable under CRS with China signed up to comply with the new reporting rules."*

**i** First reporting to partners under CRS in September 2018.

 **India**

**Pankaj Dave, senior partner at B.M. Chatrath & Co, comments:**

*"India seems extremely buoyant and optimistic about the exchange of information as a measure to counter BEPS. India's Finance Minister has emphasised the need to ensure that CRS is implemented globally on a fully reciprocal basis as this will be key to preventing international tax evasion. India will establish mechanisms for receiving and transmitting information from and to tax administrations in other countries."*



*From a practical stand point, India introduced FATCA and CRS reporting from August 2015. Failure to file FATCA and CRS returns will attract heavy penalties under the Indian Income Tax Act 1961."*

**Dave adds:** *"In our view, the main implication of FATCA and CRS is that people who have offshore assets (such as a U.S. based Non-Resident Indian with investments in India) will now find it very difficult to hide investments and corresponding income from the eyes of both countries' governments. For U.S. persons and other NRIs, FATCA and CRS will be the frame of reference respectively."*

**i** First reporting to partners under CRS in September 2017.



**Jersey**

**i** First reporting to partners under CRS in September 2017.



**Simon Perchard, Director at Volaw Group in St Helier, also adds:**

*"Jersey is already reporting under U.S. FATCA and UK CDOT (replaced by CRS) with effect from September 2015."*



**Mexico**



**Guillermo Villegas Jr, partner at Monterrey member firm Villegas y Villegas, comments:**

*"Mexico is one of the jurisdictions that will start sending information from its financial institutions to other countries starting in 2017. The Mexican tax authorities are also entitled to receive information from foreign financial institutions for accounts held by Mexican citizens. Our tax authorities have issued rules applicable to both CRS and FATCA, which require additional information from banks. This represents a challenge in terms of tax compliance for those expats living/working in Mexico and Mexican citizens working abroad - it is our job to help them with this new process and to ensure that our interpretation of international tax standards helps them to ensure that they won't have to deal with any unnecessary burden."*

**i** First reporting to partners under CRS in September 2017.





## Netherlands



**Fred Krabbendam, managing director at Borrie in Rotterdam, comments:**

*"In the Netherlands, CRS rules are already effective as of January 1, 2016. And from September 2017 the Netherlands Tax Administration will start to provide financial information (bank accounts, investment accounts, interest, dividends etc.) to CRS participating jurisdictions. The Netherlands Tax Administration will also be provided with information from other CRS participating jurisdictions.*

*Those working within our Global Mobility / Expatriates Practice will have to provide detailed information about these CRS rules to Dutch expats moving abroad and to foreign expats coming to the Netherlands, and make them aware of the tax risks should they fail to make the proper tax declaration in the Netherlands or abroad."*

**Krabbendam adds that with the Dutch 30% ruling, "For foreign expatriates coming to the Netherlands, CRS will not have that much impact."**

**Krabbendam points out that Dutch 30% tax ruling holders can opt to be treated as non-Dutch tax residents during their stay in the Netherlands:**

*"The results of this are that, inter alia, income (including capital gains) from Dutch but also from foreign bank and investment accounts, is excluded from Dutch Box 3 taxation. This means that Dutch and foreign bank and investment accounts do not need to be reported in the foreign expatriate's Dutch tax return."*

**📌 First reporting to partners under CRS in September 2017.**



 **New Zealand**

**Greg Millar, Director at Alliot NZ in Auckland, comments:**

*“New Zealand will follow CRS and has implemented new legislation to allow for the Automatic Exchange of Information (AEOI) which requires reporting jurisdictions to exchange financial information each year. This will be gathered by financial institutions on accounts held by non-residents and certain entities controlled by non-residents. From 1st July 2017, financial institutions will start gathering data on new account holders and accounts that are over US\$1M or NZ\$1M.”*

**i** First reporting to partners under CRS in September 2018.

 **Poland**

**Kamil Lewandowski, partner at FL Tax, comments:**

*“Poland is currently working on the internal provision implementing CRS. The regulations are expected to come into force on 1st May 2017. Polish residents that have in place international assets and structures should pay special attention to the new provisions and obligations. CRS is of course aimed at tax evasion, however carefully designed structures with sufficient amounts of substance should remain safe and still available. Nowadays, it is even more crucial that high net worth individuals should get advice on their current status or plans for the future with their professional advisers. Bearing in mind that the reporting obligations imposed on financial institutions are even broader than under FATCA and taking into account that failure to meet these obligations may lead to severe financial penalties (with individuals potentially exposed to fiscal-criminal liability), we can only re-emphasise that CRS is a real game changer.”*

**i** First reporting to partners under CRS in September 2017.

 **Singapore**

Singapore's Parliament has approved tax legislation to implement CRS, and Singapore will start to exchange information in 2018 with those jurisdictions with which it has signed a competent authority agreement. To date, this includes Australia, UK, Japan, South Korea, South Africa, Norway, Italy, Canada and Finland.



**KG Tan, partner and founder at Singapore member Precursor, comments:**

*"Singapore is a major financial centre and around 40% of the population is expatriates, many of whom originate from countries operating henceforth under CRS rules – they will need to ensure they play by the rules and get good advice. As a major hub in South East Asia, we are keen to see a level playing field, but CRS will only work if everyone plays fairly, implementation is indeed 'standard' and hefty sanctions are put in place to punish those jurisdictions that do not comply."*

**i** First reporting to partners under CRS in September 2018.

 **South Africa**

South Africa is an early adopter of CRS and it has entered into the country's national law through the Tax Administration Act - South African financial institutions must now comply with the new regulations.



**Manie Steyn, partner at MMS Group, member firm in South Africa comments:**

*"South Africa has a large budget deficit – however, under CRS, the South African Revenue Services (SARS) will have access to an unprecedented volume of information on South African tax residents' offshore dealings and their offshore structures, some of whom will be expatriates. CRS will allow SARS to collect taxes more efficiently and we may see significant tax revenues generated once the first reporting period ends. We advise South African tax residents and expatriates with such structures to seek advice quickly to*





ensure they are compliant. This might include a SVDP (Special Voluntary Disclosure Programme) application to SARS which must be submitted before 31 August 2017.”

**i** First reporting to partners under CRS in September 2017.

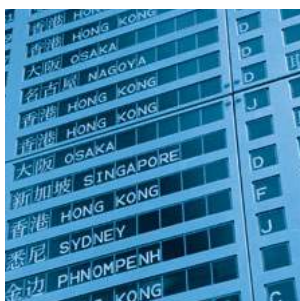
## **United Arab Emirates**



### **Dr Hadi Shahid of Alliot Hadi Shahid Chartered Accountants comments:**

*“Details of financial accounts held by expatriates in the UAE will begin to be exchanged automatically by our tax authorities with the respective authorities in most expatriates’ home countries, starting in 2018. The collection of such data will begin early in 2017. With approximately 88% of the UAE’s population being expatriates, CRS will have significant impact in the UAE and expatriates will need to be vigilant in terms of ensuring their compliance. We expect to see a surge in expatriates becoming resident in the UAE for tax purposes. The major foreign banking institutions in the UAE have already set up expatriate information communication systems with the central banks of the respective countries and are collecting national tax references to build their records.”*

**i** First reporting to partners under CRS in September 2018.



## The last word



**Luc Lamy, Chair of Alliot Group's Global Mobility Services Group and partner at Tax Consult, comments:**

*"Despite the good intentions and the relative speed with which national governments are moving, from what some of my Alliot Group colleagues around the world are saying, financial institutions globally may still be at the early stages of complying with CRS requirements. You have to wonder how financial institutions and tax authorities in the developing world where the administrative and technical mechanisms are not in place to meet the standard, nor the resources to build them, will be able to meet the ambitious deadlines. Richer countries may need to help them out, so it will probably take several more years before the CRS is a truly global information exchange network. Moreover, there are in Belgium particular mechanisms at the national level which may make CRS regulations subject to interpretation and may open the door to particular situations. These days, clients are more and more international and at the same time, they are conscious about the need to comply with international regulations. It will be our challenge to comply with these standards while presenting an interesting, tax optimised solution that takes into consideration the client's situation and his or her needs."*



**David Gibbs, partner at Alliotts in London, adds:**

*"What is also clear is that differing guidance across the world will make it difficult for financial institutions to apply a consistent approach across all jurisdictions. It should be noted that CRS contains many exemptions that may be legally exploited by account holders and financial institutions to retain privacy – whether these, or non-participation by the U.S., will negate the effectiveness of CRS, remains to be seen."*





## Appendix

### List of jurisdictions committed to start reporting in 2017

Anguilla, Argentina, Austria, Barbados, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Curaçao, Cyprus, Czech Republic, Denmark, 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, Mexico, Montserrat, Netherlands, Niue, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Trinidad and Tobago, Turks and Caicos Islands, United Kingdom.

### List of jurisdictions committed to start reporting in 2018

Albania, Andorra, Antigua and Barbuda, Aruba, Australia, Austria, The Bahamas, Bahrain, Belize, Brazil, Brunei Darussalam, Canada, Chile, China, Cook Islands, Costa Rica, Dominica, Ghana, Grenada, Hong Kong (China), Indonesia, Israel, Japan, Kuwait, Lebanon, Marshall Islands, Macao (China), Malaysia, Mauritius, Monaco, Nauru, New Zealand, Panama, Qatar, Russia, Saint Kitts and Nevis, Samoa, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Singapore, Sint Maarten, Switzerland, Turkey, United Arab Emirates, Uruguay, Vanuatu.

### List of countries with voluntary disclosure programs

Argentina, Australia, Austria, Belgium, Canada, Chile, China, Costa Rica, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

## About Alliot Group

Getting the right advice and solutions that ensure success is no longer the sole preserve of large corporates and the wealthiest individuals. Through Alliot Group ([www.alliotgroup.net](http://www.alliotgroup.net)), the essential ingredients for successful market entry, such as local knowledge and connections, technical expertise, access to finance, sector experience, speed to market, flexibility and economies of scale, are now accessible to ambitious mid-market private businesses and individuals with sophisticated requirements.

Founded in 1979, and with some 170 member firms in 70 countries, Alliot Group's aim is to be the alternative, 'go to' resource for businesses and private individuals involved in multi-market business.



## For more information

For more information, please visit our website ([www.alliotgroup.net/globalmobility](http://www.alliotgroup.net/globalmobility)) or contact **Giles Brake** ([giles@alliotgroup.net](mailto:giles@alliotgroup.net)), Head of Worldwide Marketing at Alliot Group headquarters in the UK.



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