



# EBF TAX CONFERENCE 2017

## Achieving Tax Certainty in a World of Uncertainty



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# Client reporting and due diligence: towards a multiplication of regulatory layers and global approach to beneficial owner information



## Current tax reporting landscape



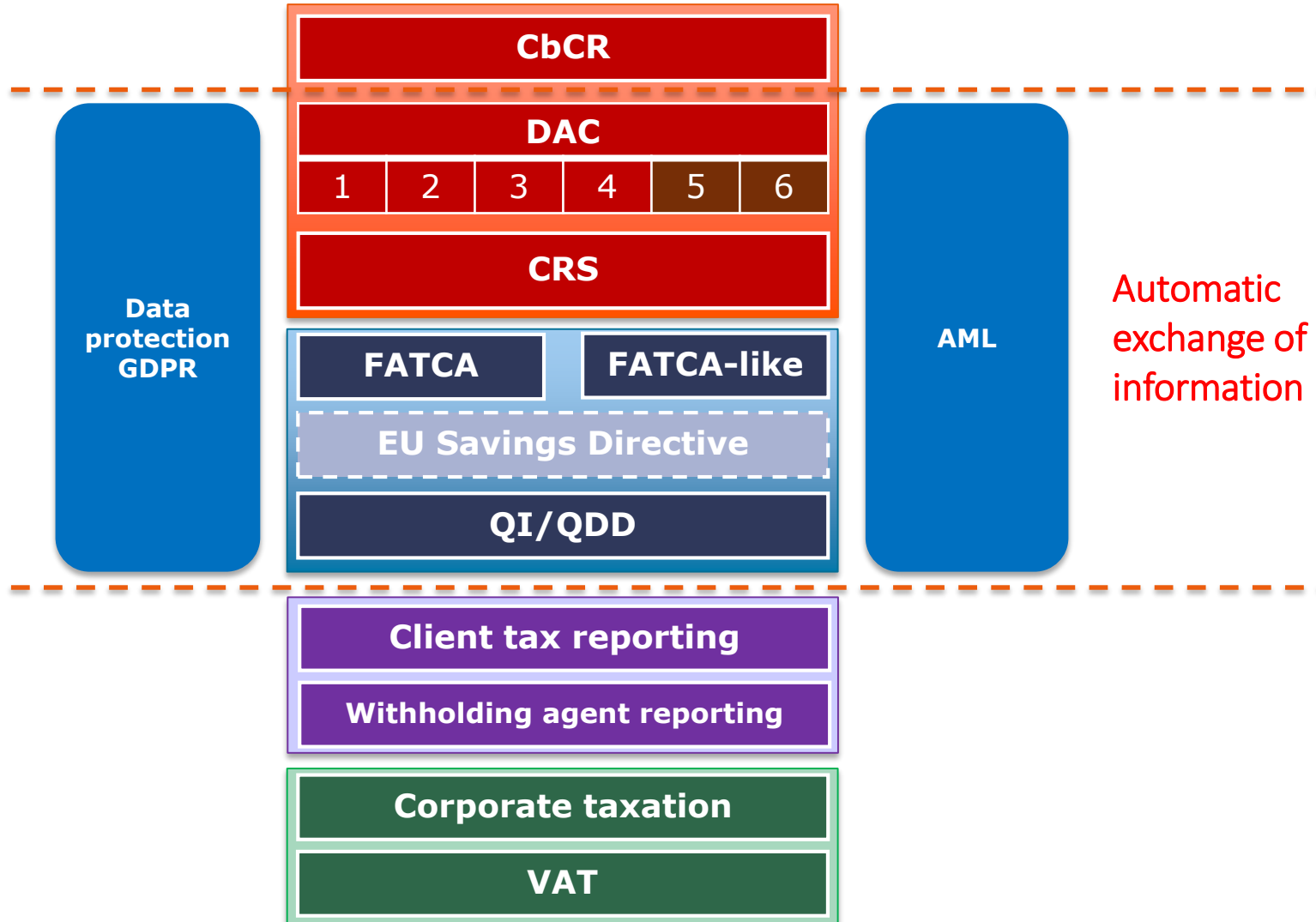
## Recent updates

DAC, QI, CRS



## Addressing AEOI

# Current tax reporting landscape



- Tax is everywhere
- Tax is complex
- Tax is cross-functional
- Financial institutions are more impacted than ever
- Wide public scrutiny

# Directive on administrative cooperation (DAC)

## New framework for Tax Administrative Cooperation

	<b>2011: DAC1</b>	<b>2011: DAC1 (AEOI ITEMS)</b>	<b>2014: DAC2</b>	<b>2015: DAC3</b>	<b>2016: DAC4</b>	<b>2016: DAC5</b>	<b>2017: DAC6 proposal</b>
<b>EU</b>	<p>Effective: 01.2013 (Directive 2011/16, except Art. 8)</p> <p>New framework and tools for administrative cooperation and, in particular, new provisions for:</p> <ul style="list-style-type: none"> <li>• Exchange on request</li> <li>• Spontaneous exchange</li> </ul>	<p>Effective: 01.2015 (Directive 2011/16, Art. 8)</p> <p>Automatic exchange of information on 3 non-financial categories:</p> <ul style="list-style-type: none"> <li>• Income from employment</li> <li>• Director's fees</li> <li>• Pensions</li> </ul>	<p>Effective: 01.2016 (Directive 2014/107)</p> <p>Automatic exchange of information on financial account information</p>	<p>Effective: 01.2017 (Directive 2015/2376)</p> <p>Automatic exchange (using a central directory as from 1.2017) of:</p> <ul style="list-style-type: none"> <li>• Advance cross-border rulings</li> <li>• Advance pricing arrangements</li> </ul>	<p>Effective: 06.2017 (Directive 2016/881)</p> <p>Country-by-country reporting on certain financial information</p>	<p>Effective: 01.2018 (Directive 2016/2258)</p> <p>Access by tax authorities to anti-money laundering information</p>	<p>Effective: 01.2019? (Proposal 2017/0138)</p> <p>New transparency requirements for intermediaries. Requirement for the Member States to automatically exchange the information they receive from intermediaries.</p>
<b>OECD</b>	OECD Multilateral Convention	No equivalent at the OECD level	<p>MCAA CRS</p> <p>Automatic exchange of information on financial account information</p>	Equivalent exists at the OECD level (BEPS Action 5), however the scope regarding the years subject to exchange differs	<p>MCAA CbC signed on 27/01/2016</p> <p>Annex III to chapter V of BEPS Action 13 concerning BEPS enumerates the information that must be reported</p>	No equivalent exists at the OECD level	Equivalent exists at the OECD level (BEPS Action 12), however the proposal imposes, additionally, a requirement to automatically exchange disclosed information between the Member States

# New Qualified Intermediary regime

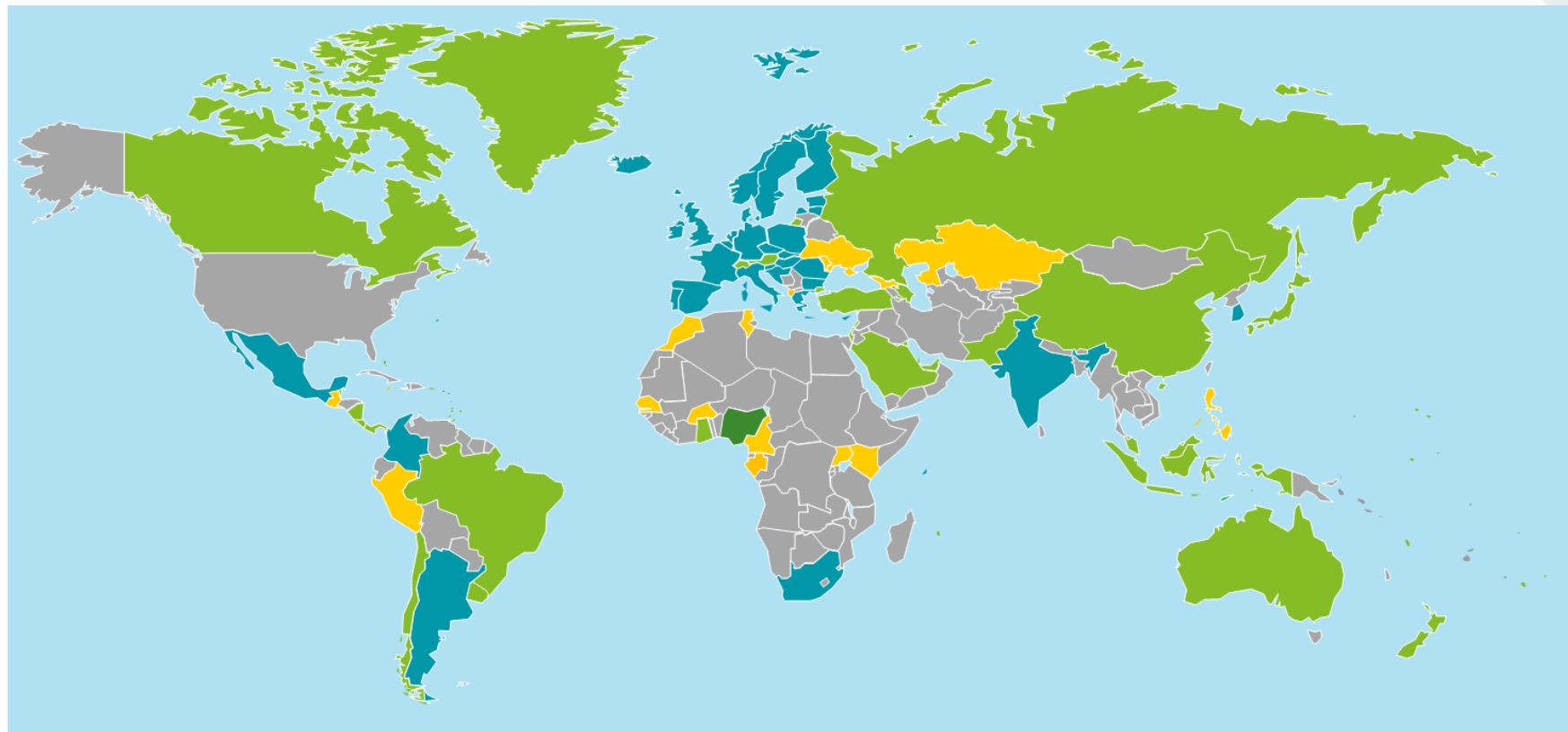
Category	What's new?	When?
<b>Renewal of QI agreement</b>	<ul style="list-style-type: none"><li>Through the FATCA registration website</li></ul>	Prior to November 17, 2017
<b>Compliance program</b>	<ul style="list-style-type: none"><li>Policies, procedures, and processes sufficient for QI to satisfy the documentation, reporting and withholding requirements and sufficient for a RO of QI to issue the certifications</li></ul>	2017
<b>Training</b>	<ul style="list-style-type: none"><li>Policies and procedures must be communicated to employees in charge of QI's obligations</li></ul>	2017
<b>LOB provisions</b>	<ul style="list-style-type: none"><li>QI using documentary evidence for entity account holders claiming a reduced rate of withholding must collect LOB information on the treaty statement.</li></ul>	January 1, 2017 (for new accounts)
<b>Execution of periodic review</b>	<ul style="list-style-type: none"><li>Designation of a reviewer (external or internal) that meets the required qualifications to perform the periodic review</li><li>A sample size must be determined to review the documentary, withholding and reporting obligations</li><li>The reviewer must issue a report</li></ul>	Rev. Proc. 2017-15 allows QI to choose which year in the certification period to select for its periodic review. If the QI acts as QDD it will be in 2017
<b>Certification of internal controls</b>	<ul style="list-style-type: none"><li>The RO is required to issue a periodic certification of internal controls</li><li>In addition, the QI is required to report certain factual information regarding its documentation, withholding and reporting obligations</li><li>The factual information will be gathered through the testing of accounts and transactions required as part of the periodic review</li></ul>	The QI is required to issue the required certification on or before December 31, 2018



# CRS

## America

<a href="#">Anquilla</a>	<a href="#">El Salvador</a>
<a href="#">Antigua and Barbuda</a>	<a href="#">Grenada</a>
<a href="#">Argentina</a>	<a href="#">Guatemala</a>
<a href="#">Aruba</a>	<a href="#">Jamaica</a>
<a href="#">Bahamas</a>	<a href="#">Mexico</a>
<a href="#">Barbados</a>	<a href="#">Montserrat</a>
<a href="#">Belize</a>	<a href="#">Panama</a>
<a href="#">Bermuda</a>	<a href="#">Peru</a>
<a href="#">Brazil</a>	<a href="#">Saint Kitts and Nevis</a>
<a href="#">British Virgin Islands</a>	<a href="#">Saint Lucia</a>
<a href="#">Canada</a>	<a href="#">Saint Martin</a>
<a href="#">Cayman Islands</a>	<a href="#">Saint Vincent and the Grenadines</a>
<a href="#">Chile</a>	<a href="#">Trinidad &amp; Tobago</a>
<a href="#">Colombia</a>	<a href="#">Turks and Caicos Islands</a>
<a href="#">Costa Rica</a>	<a href="#">Uruguay</a>
<a href="#">Curacao</a>	
<a href="#">Dominica</a>	



- Legend
- Jurisdictions undertaking first exchanges by 2017 on calendar year 2016
  - Jurisdictions undertaking first exchanges by 2018 on calendar year 2017
  - Jurisdictions undertaking first exchanges by 2019 on calendar year 2018
  - Other jurisdictions participating in the convention on mutual assistance in tax matters
  - 96 jurisdictions are signatories of the multilateral competent authority agreement

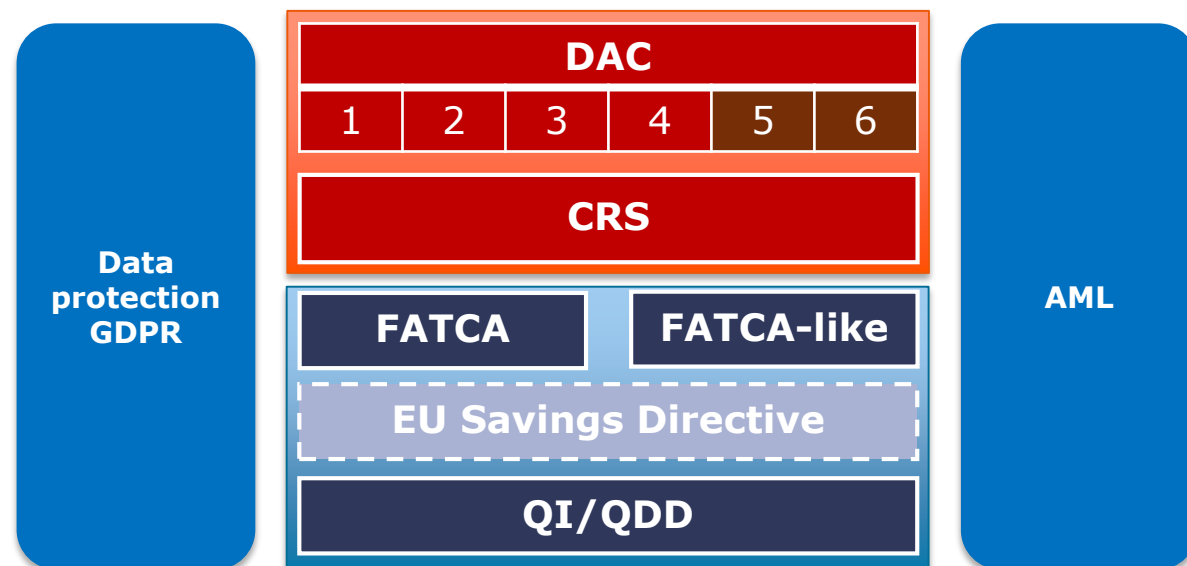
## EMEA

<a href="#">Albania</a>	<a href="#">Denmark</a>	<a href="#">Guernsey</a>	<a href="#">Lebanon</a>	<a href="#">Pakistan</a>
<a href="#">Andorra</a>	<a href="#">Estonia</a>	<a href="#">Hungary</a>	<a href="#">Liechtenstein</a>	<a href="#">Poland</a>
<a href="#">Austria</a>	<a href="#">Faroe Islands</a>	<a href="#">Iceland</a>	<a href="#">Lithuania</a>	<a href="#">Portugal</a>
<a href="#">Azerbaijan</a>	<a href="#">Finland</a>	<a href="#">Ireland</a>	<a href="#">Luxembourg</a>	<a href="#">Qatar</a>
<a href="#">Bahrain</a>	<a href="#">France</a>	<a href="#">Isle of Man</a>	<a href="#">Malta</a>	<a href="#">Romania</a>
<a href="#">Belgium</a>	<a href="#">Gabon</a>	<a href="#">Israel</a>	<a href="#">Mauritius</a>	<a href="#">Russia</a>
<a href="#">Bulgaria</a>	<a href="#">Georgia</a>	<a href="#">Italy</a>	<a href="#">Moldova</a>	<a href="#">San Marino</a>
<a href="#">Burkina Faso</a>	<a href="#">Germany</a>	<a href="#">Jersey</a>	<a href="#">Monaco</a>	<a href="#">Saudi Arabia</a>
<a href="#">Cameroon</a>	<a href="#">Ghana</a>	<a href="#">Kazakhstan</a>	<a href="#">Morocco</a>	<a href="#">Senegal</a>
<a href="#">Croatia</a>	<a href="#">Gibraltar</a>	<a href="#">Kenya</a>	<a href="#">Netherlands</a>	<a href="#">Seychelles</a>
<a href="#">Cyprus</a>	<a href="#">Greece</a>	<a href="#">Kuwait</a>	<a href="#">Nigeria</a>	<a href="#">Slovak Republic</a>
<a href="#">Czech Republic</a>	<a href="#">Greenland</a>	<a href="#">Latvia</a>	<a href="#">Norway</a>	<a href="#">Slovenia</a>

## Asia-Pacific

<a href="#">Australia</a>	<a href="#">Marshall Islands</a>
<a href="#">Brunei Darussalam</a>	<a href="#">Nauru</a>
<a href="#">China</a>	<a href="#">New Zealand</a>
<a href="#">Cook Islands</a>	<a href="#">Niue</a>
<a href="#">Hong-Kong</a>	<a href="#">Philippines</a>
<a href="#">India</a>	<a href="#">Samoa</a>
<a href="#">Indonesia</a>	<a href="#">Singapore</a>
<a href="#">Japan</a>	<a href="#">South Korea</a>
<a href="#">Macao</a>	<a href="#">Vanuatu</a>
<a href="#">Malaysia</a>	

# Addressing AEoI issues



- Finding common denominators: policies/procedures, trainings, due diligence, reporting
- Compliance checks
- Streamlining
- Technology