



14.01.2015

Documentation

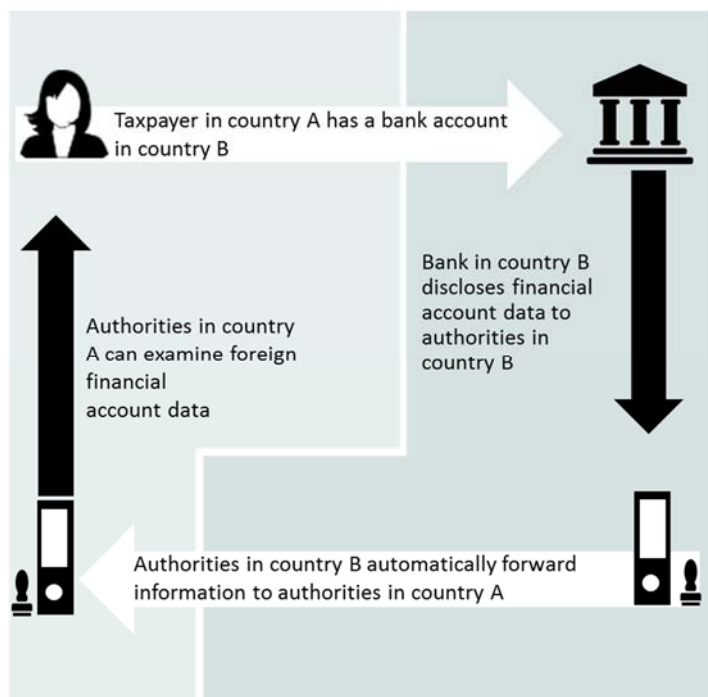
Implementation of the global standard for the automatic exchange of information in tax matters internationally

Introduction

In the wake of the financial and debt crisis, combating tax evasion worldwide has become an important issue, which is broadly pursued by the global community. On 15 July 2014, the OECD Council adopted the new global standard for the automatic exchange of information in tax matters internationally. In the plenary meeting of the Global Forum on 29 October 2014 in Berlin, nearly 100 countries committed themselves to introducing this new global standard. Some of these countries have announced the first exchanges for 2017, others, including Switzerland, for 2018, subject to the legislative procedures. At the summit of the 20 most important industrialised countries and emerging markets from 15 to 16 November 2014 in Brisbane, the G20 heads of state reiterated the swift introduction of the automatic exchange of information.

How the automatic exchange of information works:

This is the data that will be exchanged:



- Account number
- Name, address, date of birth
- Tax identification number
- Interest, dividends
- Receipts from certain insurance policies
- Credit balances on accounts
- Proceeds from the sale of financial assets

The global standard

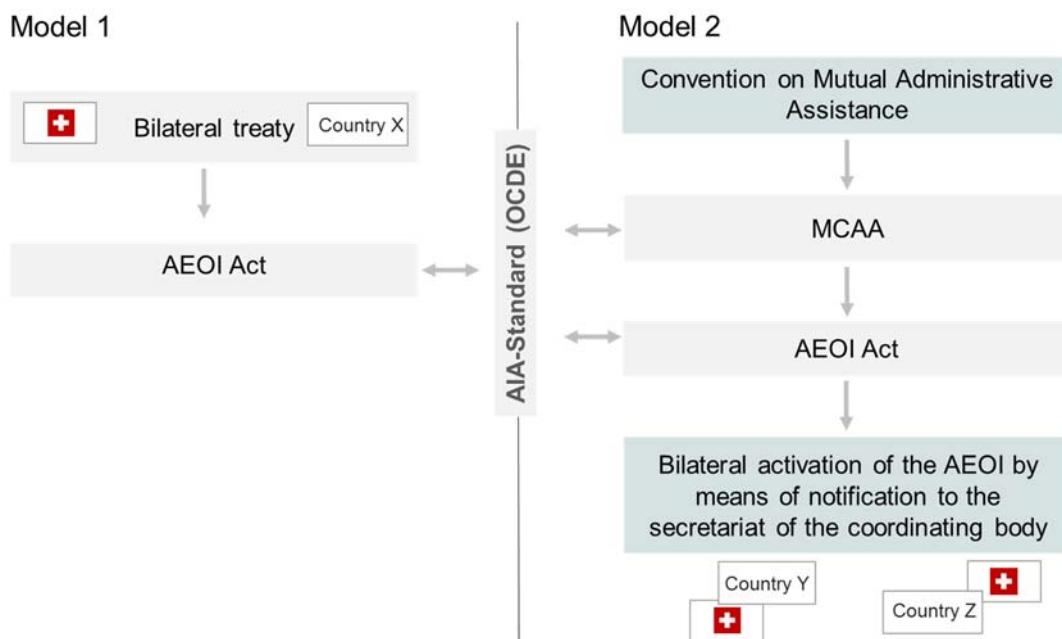
The international standard for the automatic exchange of information (AEOI) encompasses the following elements:

- a *model agreement* which is the basis for bilateral agreements and guarantees data protection, adherence to the principle of speciality (it ensures that the information exchanged by the partner countries will be used exclusively for tax purposes) and reciprocity;
- a *reporting standard* which defines the conditions for the exchange of information and the regulations to be respected in the case of client identification;
- *comments on interpretation*;
- basic data for an *IT solution* as assistance for the authorities.

Switzerland actively participated in drawing up the global standard. It was important for the Federal Council that the standard satisfied exacting requirements for compliance with data protection and the principle of speciality, guaranteed reciprocity and incorporated reliable rules for determining the beneficial owners of entities of all legal forms, including trusts and domiciliary companies. The standard complies with these principles and thereby corresponds to the Federal Council's guidelines.

Legal implementation

The implementation of the AEOI can occur by means of a bilateral treaty (left-hand column). However, the AEOI can also be implemented on the basis of the Multilateral Competent Authority Agreement (MCAA, right-hand column). The MCAA is based on the OECD/Council of Europe Convention on Mutual Administrative Assistance in Tax Matters. Under this agreement, the AEOI between signatory states is activated bilaterally. This requires that the OECD/Council of Europe Convention on Mutual Administrative Assistance is in force in both states, that the MCAA has been signed and certified and that the laws required to implement the AEOI standards are in place. In addition, both states must have informed the MCAA secretariat that they want to exchange information on an automatic basis with the other state.



Timeline (subject to the legislative procedures)

21 May	2014	Switzerland adopts draft mandates on the introduction of the AEOI.
21 July	2014	The OECD publishes the overall package on the global standard for the AEOI.
8 October	2014	The Federal Council adopts negotiation mandates with partner states on the introduction of the AEOI and confirms its intention to introduce the AEOI, subject to the legislative procedures.
29 October	2014	58 states and territories undertake to exchange data from 2017, 35 from 2018 (including Switzerland). 51 states sign the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information (MCAA).
15 - 16 Nov	2014	At the summit in Brisbane, the G20 heads of state confirm the swift introduction of the automatic exchange of information.
19 November	2014	Switzerland signs the MCAA.
14 January	2015	The Federal Council launches two consultations (1. Convention on Mutual Administrative Assistance, 2. MCAA and the AEOI Act)
April	2015	End of the consultations
June	2015	Federal Council dispatch
Autumn	2015	Parliamentary discussion in the first chamber
Winter	2015	Parliamentary discussion in the second chamber
Spring	2016	Referendum deadline
September	2016	Vote in the event of a referendum
	2017	Entry into force of the Convention on Mutual Administrative Assistance, the MCAA and the AEOI Act. Start of data gathering.
	2018	First exchange of information by Switzerland

Further information

State Secretariat for International Financial Matters: www.sif.admin.ch
OECD: www.oecd.org