OECD Delivers New Global Standard for Automatic Exchange of Tax Information

On February 13, 2014 the OECD has presented a report on a global standard for Automatic Exchange of Tax Information between countries. Attached to this report are a model agreement, for the use of countries wishing to engage in automatic exchange of information, and Common Reporting Standards which include suggestions for reporting and due diligence requirements countries can impose on the financial institutions. These standards are the next step from FATCA to GATCA, a Global Account Tax Compliance Act.
**Background**

In response to the implementation of FATCA legislation by the U.S., on May 22, 2013 the EU council has agreed to give priority to automatic exchange of information on a European and global level and welcomed any efforts made in the G8, G20 and OECD to develop a global standard for automatic information exchange.

On July 20, 2013, the G20 leaders endorsed the OECD proposals for a global model of automatic information exchange aimed at reinforcing action against tax avoidance and evasion as well as introduce even greater trust and transparency into the international tax system. This has resulted in a new single global standard for the automatic exchange of information between tax authorities worldwide presented by the OECD on February 13, 2014.

**Common Standard on reporting**

Developed by the OECD together with G20 countries, the standard calls on jurisdictions to collect certain account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis. It provides for a model intergovernmental agreement which can be used by countries to agree upon the automatic exchange of information.

**Model Agreement**

The model agreement attached allows the jurisdictions involved to automatically exchange information about the income mentioned in the agreement of individuals described in the agreement. It needs to be mentioned that the information exchange needs to be based on local legislation in place about the exchange of information. The intergovernmental agreement in itself does merely provide the basis for the information exchange obtained from the financial institutions on the basis of the local legislation.

The Common Reporting Standard described in the report also provides the reporting and due diligence standards for the automatic exchange of information on financial accounts. It provides suggestions for exemptions on financial institutions that need to report, exemptions on reportable financial accounts and provides guidelines for due diligence requirements on existing accounts.

The model intergovernmental agreement and Common Reporting Standard have a lot in common with the model intergovernmental agreements used by the Treasury of the US and IRS in FATCA.

The new global standard for automatic exchange of tax information is seen as an important step from FATCA to GATCA, which is a Global Account Tax Compliance Act.

**OECD resources related to the Common Reporting Standard**

- The Common Reporting Standard ([Link](#))
- OECD Press Release on the Common Reporting Standard ([Link](#))
- The OECD page on the automatic exchange of tax information ([Link](#))

**How PwC can help**

*If you would like to learn more or have questions or remarks in respect of the contents of this newsletter, you can contact:*

**Curaçao:**
Steve Vanenburg (Tax Partner)  
T: +599 (9) 430 0000  
steve.r.vanenburg@an.pwc.com

Zuleika Lasten (Tax Partner)  
T: +599 (9) 430 0024  
zuleika.s.lasten@an.pwc.com

**Aruba:**
Hans Ruiter (Tax Partner)  
T: +297 522 1630  
hans.ruiter@an.pwc.com

Sint Maarten:
Paul van Vliet (Tax Director)  
T: +599 542 2379  
paul.r.van.vliet@an.pwc.com

**FATCA team:**
Jorik Julsing  
T: +599 (9) 430 0013  
jorik.julsing@an.pwc.com

Aishel Báez Lara  
T: +599 (9) 430 0179  
aishel.baez@an.pwc.com

©2014 PricewaterhouseCoopers Curaçao. All rights reserved. PwC refers to the Dutch Caribbean member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.