

AUTOMATIC EXCHANGE OF INFORMATION

Practical Examples for Trust Practitioners in Switzerland

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Agenda

- Recent Developments
- Outlook - Key Duties and Deadlines
- Practical Examples

RECENT DEVELOPMENTS



First Information Exchanges

30 September 2017

- First information exchange between national tax administrations of 2016 early adopters
 - *e.g.* reporting of German bank's HNWI client residing in France
 - *e.g.* reporting of BVI domiciliary company's beneficial owner residing in the UK
- Frequently final deadline of national voluntary disclosure programmes
- For Lower Value Individual Accounts and Entity Accounts, report may be postponed by one year due to two-year due diligence period

Update on Switzerland's Partner Jurisdictions

27 September 2017

- Approval of 39 (out of 41 proposed) new Partner Jurisdictions by Swiss National Council

Andorra	BVI	Faroe Islands	Marshall Islands	Saint Vincent
Antigua&Barbuda	Cayman Islands	Greenland	Mauritius	Antigua&Barbuda
Argentina	Chile	Grenada	Mexico	Argentina
Aruba	China	India	Monaco	Aruba
Barbados	Colombia	Indonesia	Montserrat	Barbados
Belize	Cook Islands	Israel	Russia	Belize
Bermuda	Costa Rica	Liechtenstein	Saint Kitts&Nevis	Bermuda
Brazil	Curaçao	Malaysia	Saint Lucia	Brazil

- First information report in 2019 (on 2018 data)

Update on Switzerland's Partner Jurisdictions

27 September 2017

- Rejection of Saudi Arabia
 - Justified with reference to human rights abuses, financing of terrorism and „aggressive“ foreign policy
- Rejection of New Zealand
 - Protection of retired Swiss expats in New Zealand whose currently undeclared Swiss pensions would be deducted from their New Zealand pensions
 - Conclusion of bilateral „social security agreement“ as a prerequisite
- Country-specific report to be published by Federal Council prior to actual information reporting
 - Covering rule of law, confidentiality, data protection, etc.
 - Consultation of relevant Parliamentary Committees



Update on CRS Participating Jurisdictions

17 August 2017

- Nigeria signs CRS Multilateral Competent Authority Agreement

29 June 2017

- Bahrain signs CRS Multilateral Competent Authority Agreement

7 June 2017

- Pakistan signs CRS Multilateral Competent Authority Agreement

Update on CRS Participating Jurisdictions

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2017 (49)

Anguilla, Argentina, Belgium, Bermuda, British Virgin Islands, Bulgaria, Cayman Islands, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, Isle of Man, Italy, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montserrat, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Seychelles, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Turks and Caicos Islands, United Kingdom

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2018 (53)

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

source: www.oecd.org



New OECD Guidance

6 April 2017

- Publication of additional CRS-related FAQ
- Publication of expansion of CRS XML Schema User Guide
 - Handling of corrections and cancellations



New Swiss Guidance

6 July 2017

- Publication of CRS Technical Guidance Notes

17 January 2017

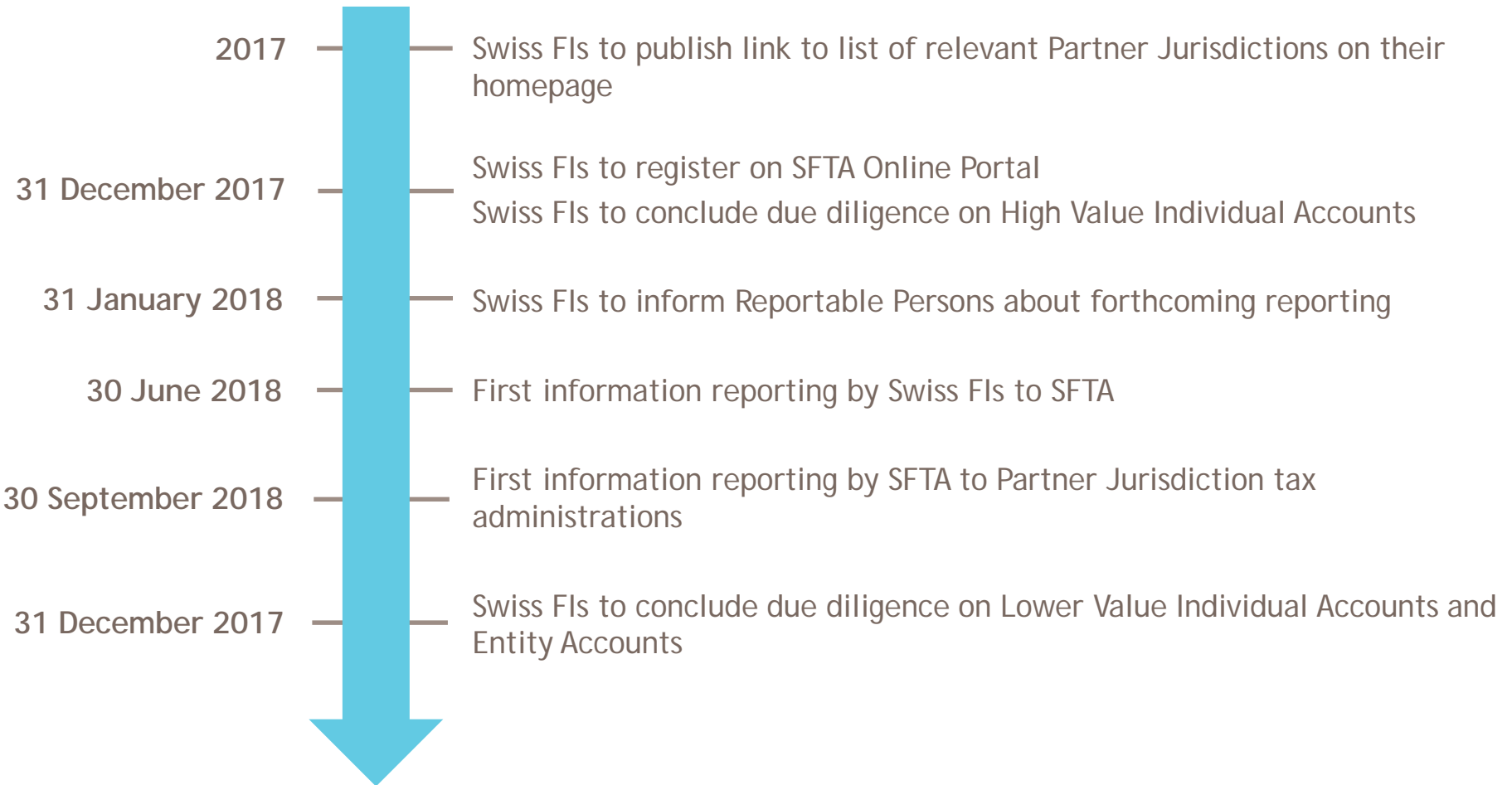
- Publication of CRS Guidance Notes

1 December 2016

- Establishment of CRS Qualification Committee
 - Ongoing publication of FAQ, similar to FATCA Qualification Committee
(<https://www.estv.admin.ch/estv/en/home/internationales-steuerrecht/fachinformationen/aia/qualifikationsgremium.html>)

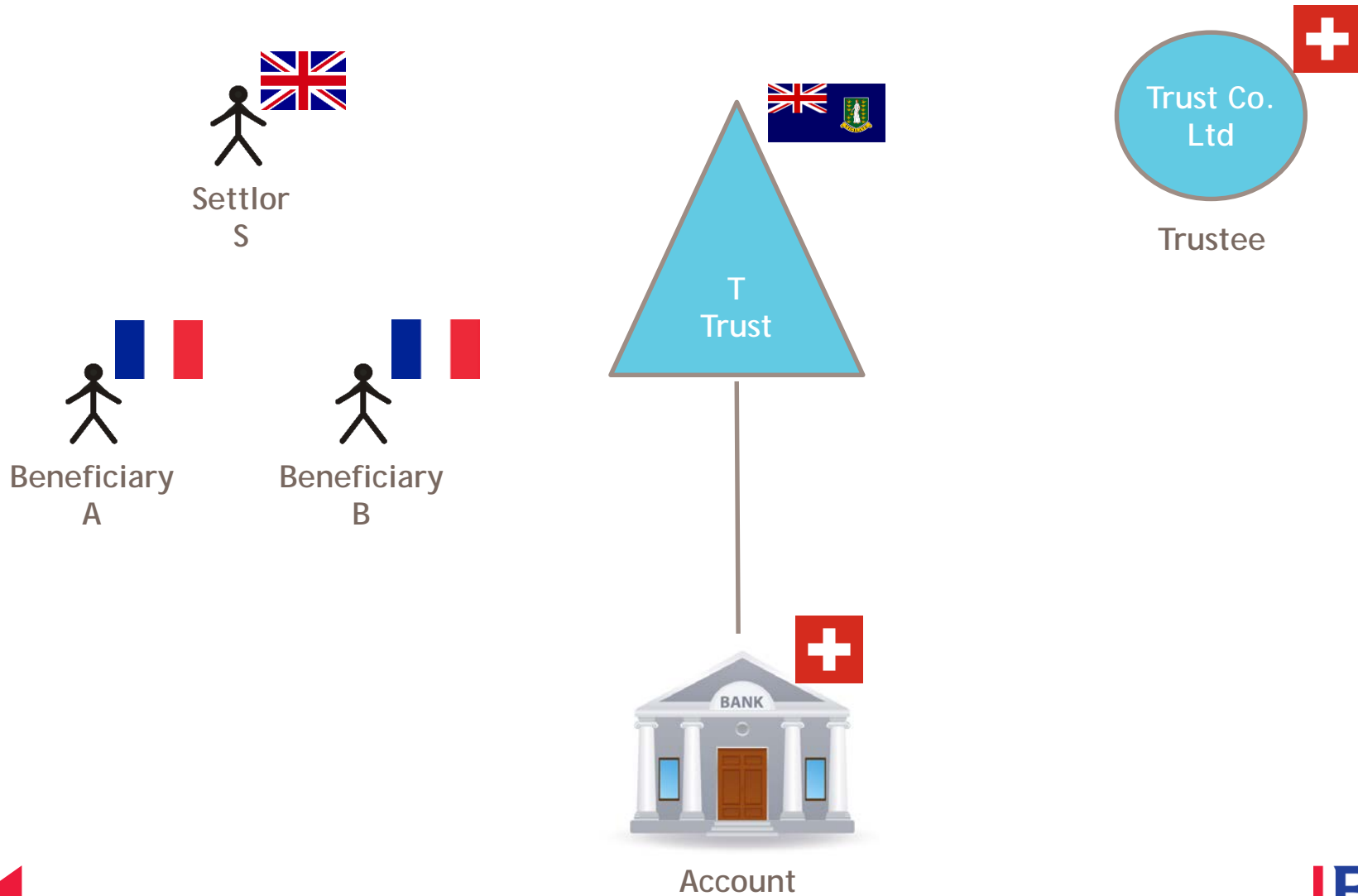
OUTLOOK - KEY DUTIES AND DEADLINES

Key Duties and Deadlines

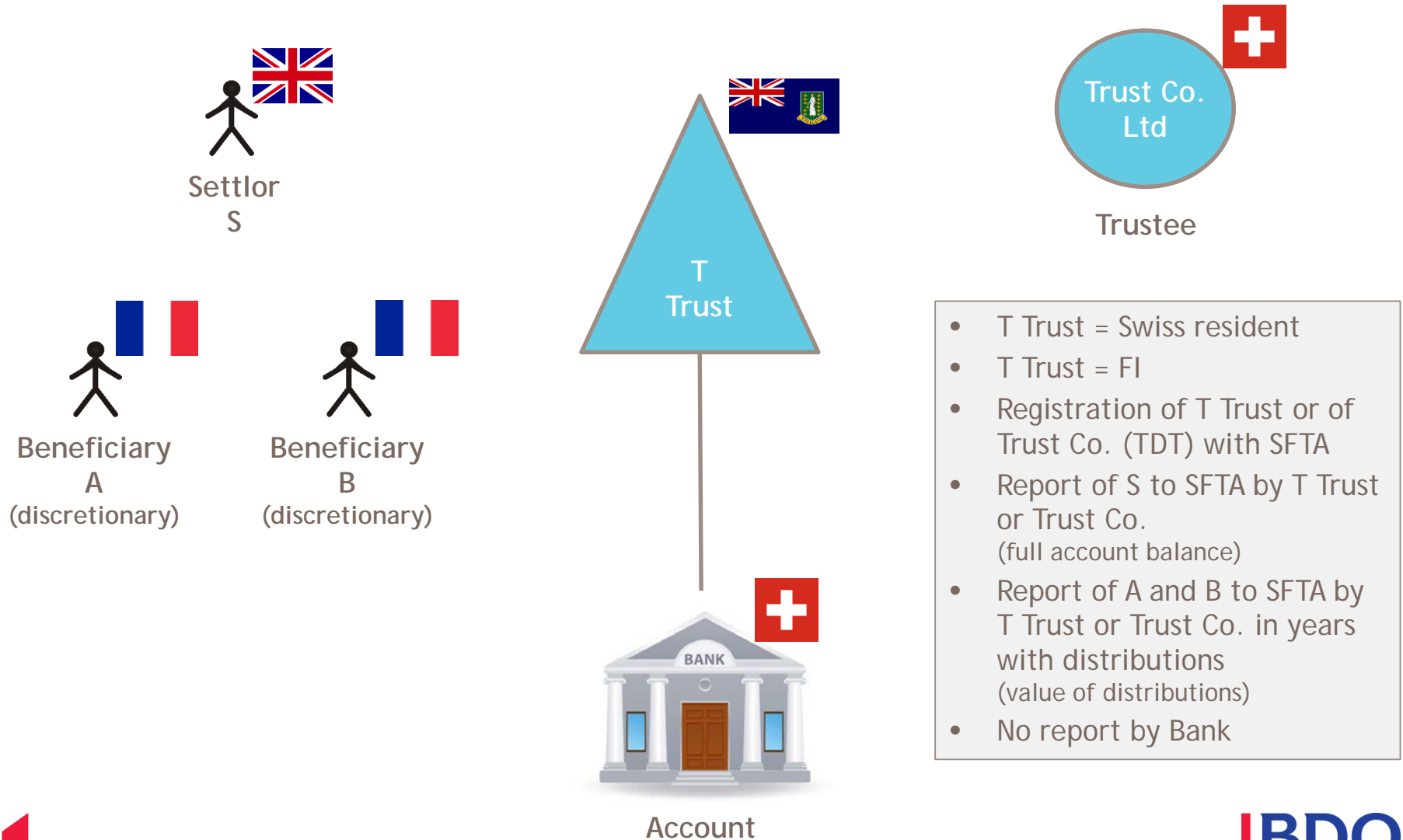


PRACTICAL EXAMPLES

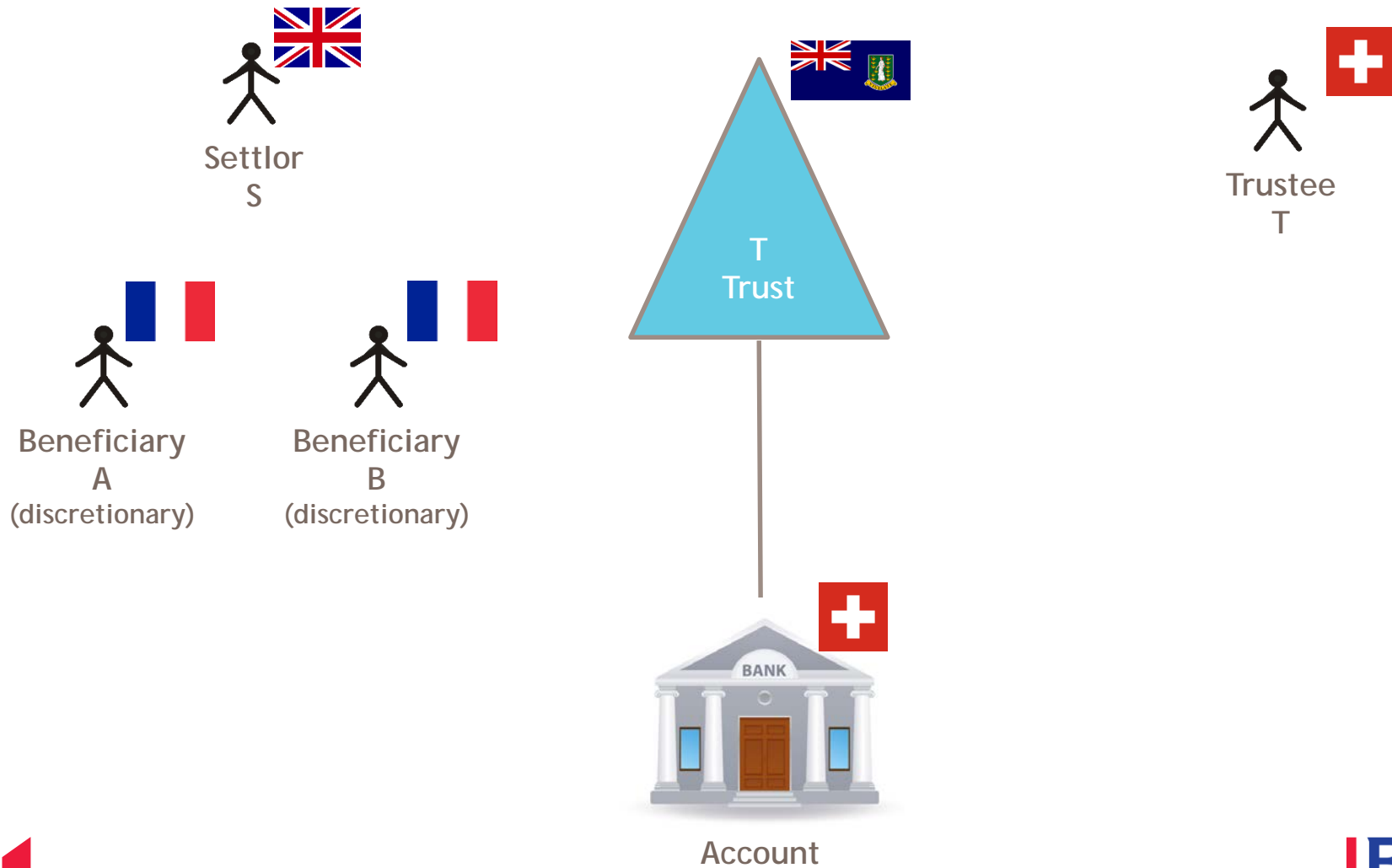
Case Study 1 - Facts



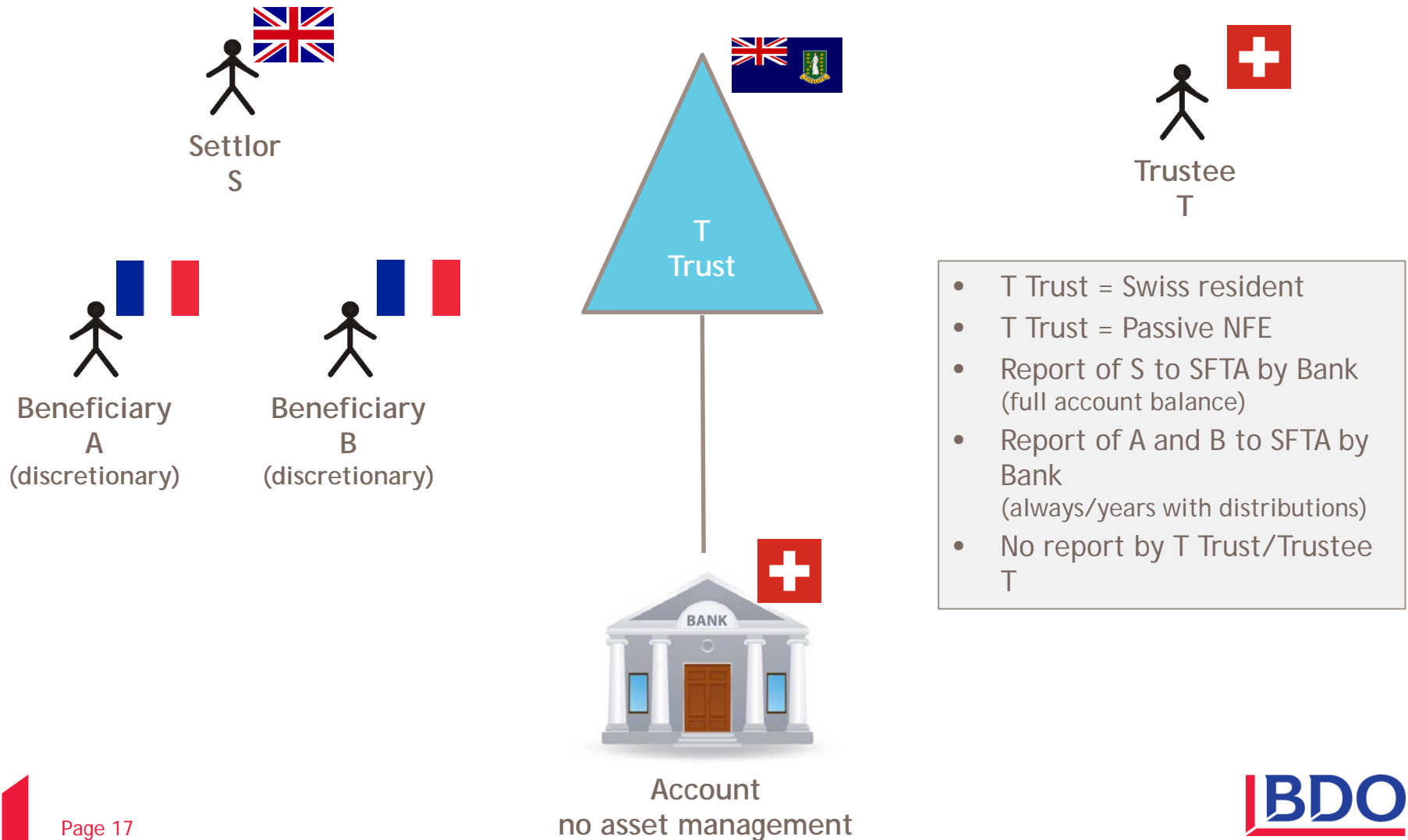
Case Study 1 - Solution



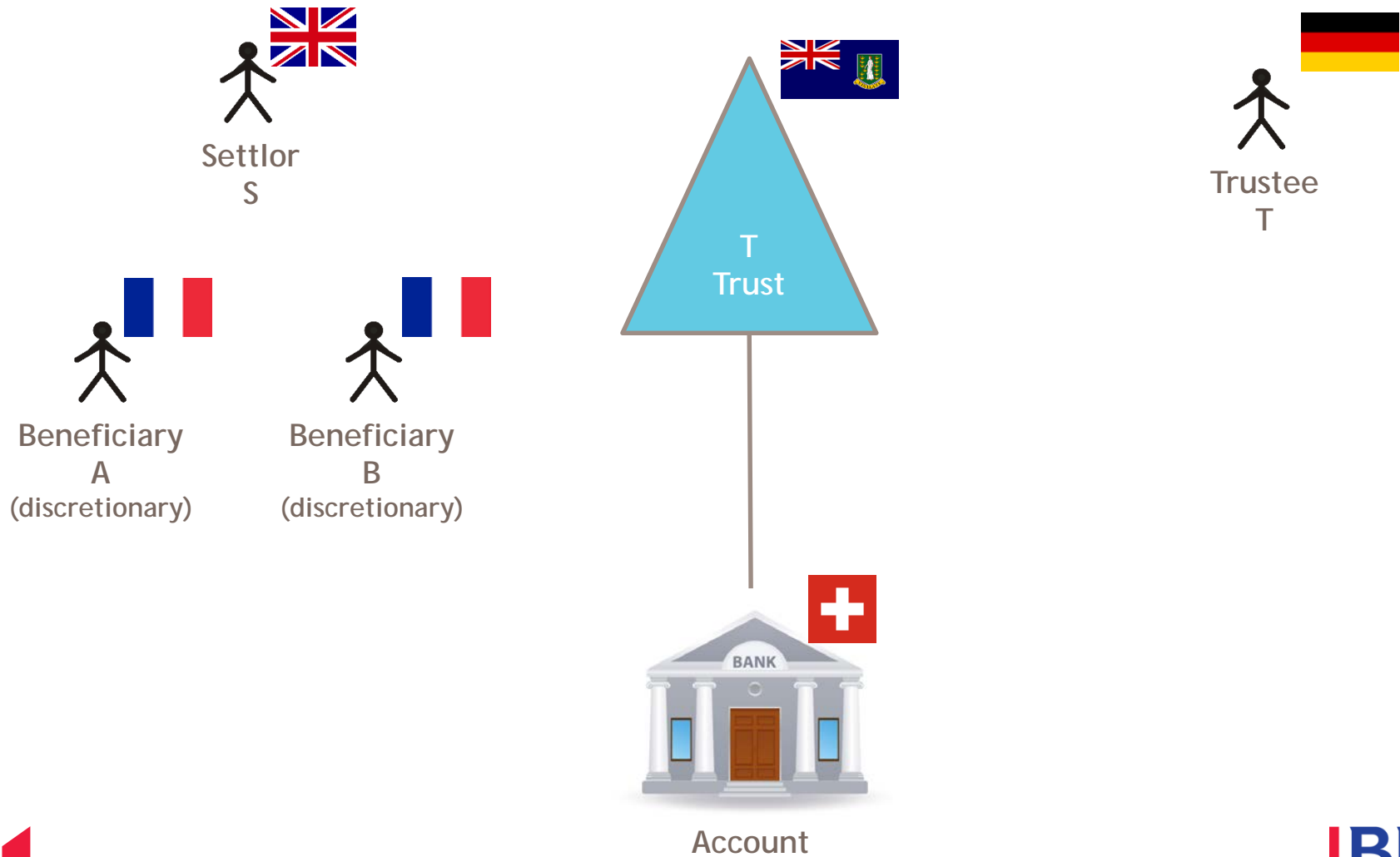
Case Study 2 - Facts



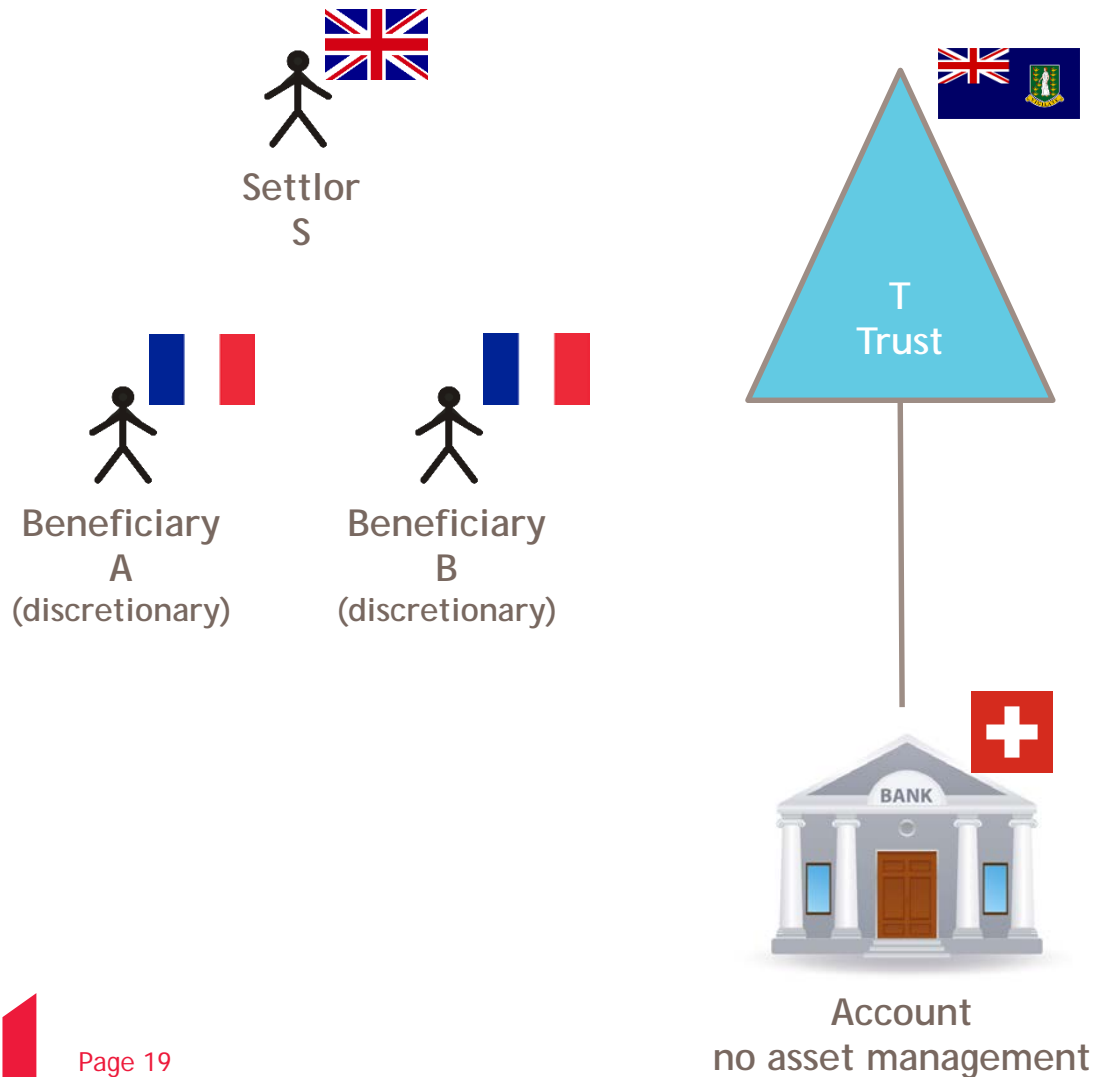
Case Study 2 - Solution



Case Study 3 - Facts

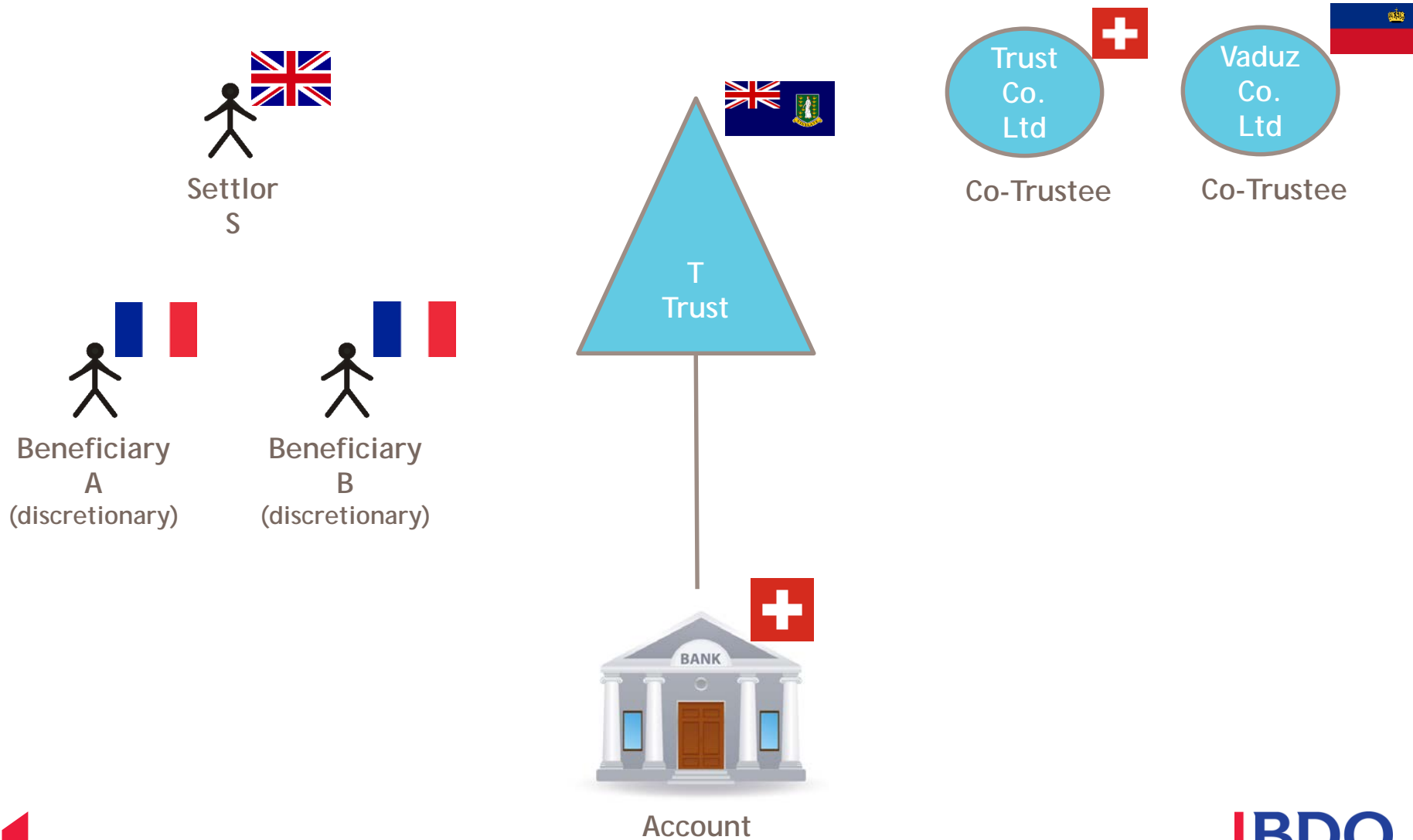


Case Study 3 - Solution

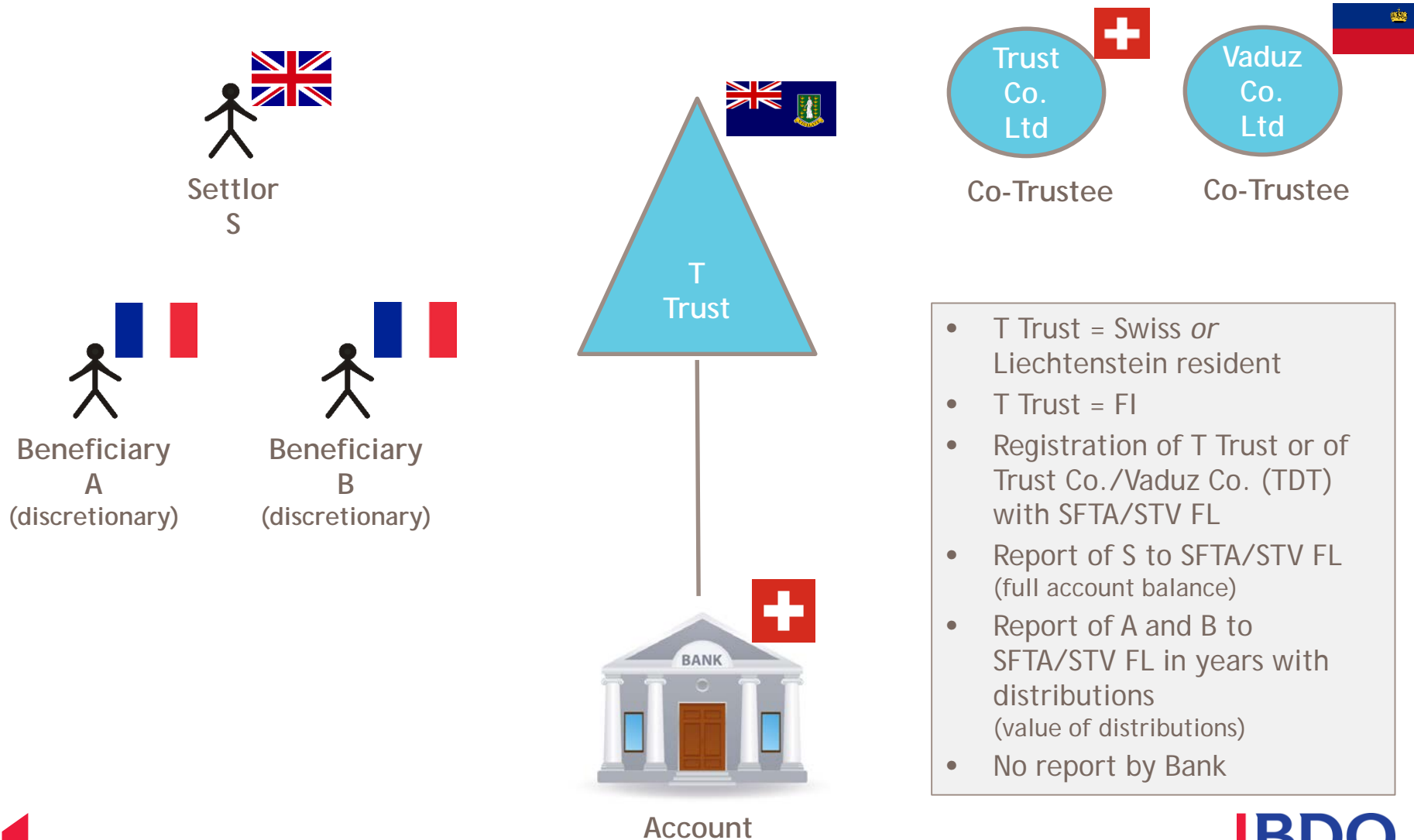


- T Trust = German resident
- T Trust = Passive NFE
- Report of T Trust to SFTA by Bank (full account balance)
- Report of S to SFTA by Bank (full account balance)
- Report of T to SFTA by Bank (full account balance)
- Report of A and B to SFTA by Bank (always/years with distributions)
- No report by T Trust/Trustee T

Case Study 4 - Facts



Case Study 4 - Solution



- T Trust = Swiss *or* Liechtenstein resident
- T Trust = FI
- Registration of T Trust or of Trust Co./Vaduz Co. (TDT) with SFTA/STV FL
- Report of S to SFTA/STV FL (full account balance)
- Report of A and B to SFTA/STV FL in years with distributions (value of distributions)
- No report by Bank



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David Violi joined BDO as Head of the Regulatory & Compliance Department for Western Switzerland in 2015. He is a Swiss attorney-at-law.

David Violi has gained a wide experience in the Regulatory & Compliance field for over 12 years in a Big 4, within FINMA, in the Compliance Department of an important cantonal bank and within a major law firm.

He is mainly advising in the field of banks, insurances, stock markets, anti-money laundering, asset management, collective investment schemes, data protection, and international tax compliance regulations (FATCA/QI/AEOI).



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