



Automatic Exchange of Information (“AEOI”)

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The Intergovernmental Agreements between the Isle of Man and the United States of America (the US IGA - FATCA) came into effect on 1 July 2014.

The IGA provides for the automatic exchange of information between the jurisdictions relating to financial accounts held by specified individuals.

The Common Reporting Standard (CRS) regime, which closely follows FATCA, took effect from 1 January 2016, for those countries known as ‘Early Adopters’, with the first information exchange taking place in 2017.

FATCA

The legislation, regulations and guidance for the regime is complex and the guidance is constantly evolving to take account of practical implementation issues and updates to US Treasury Regulations.

In relation to clients of trust and corporate service providers and investors in Funds and other investment vehicles, the main points to note are as follows:

- All entities will need to be classified in order to establish who will undertake any required reporting. Entities are classified as Financial Institutions or Non-Financial Foreign Entities.
- Banks are undertaking a review of all their accounts and will require entity classifications.
- FATCA applies to US tax residents, US citizens and Green Card holders.
- Depending on the exact nature of any relevant entity and the applicable thresholds there may be reporting due annually in relation to the position as at 31 December of the previous calendar year. The reporting will primarily be in relation to settlors of Trusts and shareholders of companies, but it will also potentially include beneficiaries of Trusts, particularly those who have received distributions in the period. Investors in Funds and other investment vehicles will also be subject to reporting.

Common Reporting Standard (CRS)

The CRS calls on governments to obtain detailed account information from their financial institutions and exchange that information automatically with other jurisdictions on an annual basis.

CRS was implemented on 1 January 2016 in certain jurisdictions, known as ‘Early Adopters’, with the first reporting being in 2017 for the position as at 31 December 2016 or the position at the time of winding up if this is between 1 January 2016 and 31 December 2016. A further group of jurisdictions, known as ‘Fast Followers’ have committed to undertake their first exchange of information on the position as at 31 December 2017, in 2018.



Committed to AEOI 2017 'Early Adopters'		Committed to AEOI 2018 'Fast Followers'	
Anguilla	Montserrat	Andorra	New Zealand
Argentina	Netherlands	Antigua and Barbuda	Niue
Belgium	Norway	Aruba	Pakistan
Bermuda	Poland	Australia	Panama
British Virgin Islands	Portugal	Austria	Qatar
Bulgaria	Romania	Azerbaijan	Russia
Cayman Islands	San Marino	The Bahamas	Saint Kitts and Nevis
Colombia	Seychelles	Bahrain	Saint Lucia
Croatia	Slovak Republic	Barbados	Saint Vincent and the Grenadines
Cyprus	Slovenia	Belize	Samoa
Czech Republic	South Africa	Brazil	Saudi Arabia
Denmark	Spain	Brunei Darussalam	Singapore
Estonia	Sweden	Canada	Sint Maarten
The Faroe Islands	Turks and Caicos Islands	Chile	Switzerland
Finland	United Kingdom	China	Trinidad and Tobago
France		Cook Islands	Turkey
Germany		Costa Rica	United Arab Emirates
Gibraltar		Curaçao	Uruguay
Greece		Dominica	Vanuatu
Guernsey		Ghana	
Hungary		Greenland	
Iceland		Grenada	
India		Hong Kong (China)	
Ireland		Indonesia	
Isle of Man		Israel	
Italy		Japan	
Jersey		Kuwait	
Korea		Lebanon	
Latvia		Marshall Islands	
Liechtenstein		Macao (China)	
Lithuania		Malaysia	
Luxembourg		Mauritius	
Malta		Monaco	
Mexico		Nauru	

- All entities will be classified as Financial Institutions or Non-Financial Entities.
- Revised classifications for CRS will be required by banks.
- Applies to all tax residents of the listed jurisdictions.
- Reporting will largely be the same as that under FATCA; settlors and protectors of Trusts, beneficiaries who receive a distribution, shareholders of companies and investors in funds and other investment vehicles.

Reporting

SMP clients and Fund Investors who are US Persons will have already been contacted to discuss the FATCA reporting and who will be making the reports.

Clients who are resident in CRS jurisdictions should have been advised of an initial entity classification and/or a summary of reporting requirements (if any).

Further information will be issued in due course, including a 'Reporting Notification' together with a tax declaration (if required) which should be completed and signed and returned.

Clients who wish to discuss how they are affected by AEOI in relation to entities administered by SMP or fund investments and also generally in relation to other entities, bank accounts, fund investments, etc. should contact their usual SMP adviser or one of the contacts listed below.

SMP Accounting & Tax Limited can assist any UK residents who have concerns about historical tax matters and/or queries regarding various disclosure facilities.

In relation to US and other global clients, SMP can offer assistance through the Russell Bedford international network and through the various lawyers and accountants that SMP work with worldwide.

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