



International Cooperation For Taxing HNIs: Convention on Mutual Administrative Assistance in Tax Matters

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Why the Mutual Administrative Assistance Convention is Important

- Provides for wide range of administrative assistance in tax matters:
 - exchange of information on request
 - spontaneous exchange
 - automatic exchange
 - tax examinations abroad
 - simultaneous tax examinations
 - assistance in tax collection
 - service of documents
- Governs access to automatic exchange of financial account information and country-by-country reports

WATAF Members part of the Convention



Benin, Burkina
Faso, Capo
Verde, Ghana,
Liberia, Nigeria,
Senegal, Togo

Automatic Exchange of Information

Tax Information Exchange Agreements

Double Tax Agreements (Article 26)

Article 6: Information can be automatically exchanged between Parties in accordance with mutually agreed procedures

Multilateral Competent Authority Agreement on the Exchange of CbC Reports

Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (MCAA) (CRS)

CRS MCAA and HNIs

Useful tool for accessing financial account information from tax haven countries

CRS MCAA specifies the details of what information will be exchanged (Section 2), when and how (Section 3).

Section 2(2):

Reportable Account of another Jurisdiction:

name, address, TIN(s) and date and place of birth, account number, name and identifying number (if any) of the Reporting Financial Institution

account balance or value as of the end of the relevant reporting period

CRS MCAA and HNIs

- In case of Custodial Accounts: total gross amount of interest, dividends and other income
- In case of Depository Account: total gross amount of interest
- Any other account: total gross amount paid or credited

Who can access information under the CRS MCAA?

Two countries can automatically exchange information with each other if they have a bilateral CRS exchange relationship.

This will exist if both countries have joined the Mutual Administrative Assistance Convention, signed the CRS MCAA, filed the notifications under Section 7 and mentioned each other in their list of intended exchange partner jurisdictions.

Who can access information under the CRS MCAA?

Notifications under Section 7:

- a confirmation that domestic CRS legislation is in place and whether the jurisdiction will exchange on a reciprocal or non-reciprocal basis
- a specification of the transmission and encryption methods
- a specification of the data protection requirements to be met in relation to information exchanged by the jurisdiction
- a confirmation that the jurisdiction has appropriate confidentiality and data safeguards in place;

Who can access information under the CRS MCAA?

- Table of existing exchange relationships can be seen here:
- <http://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/exchange-relationships/>

Other aspects of the convention

Persons covered: Residents and nationals

Taxes covered:

Income or profits, capital gains, net wealth by federal and political subdivisions of Parties

social security contributions

estate, inheritance or gift taxes, taxes on immovable property, general consumption taxes such as VAT, specific taxes on goods and services such as excise taxes, taxes on the use or ownership of motor vehicles and other movable property

Spontaneous exchange of information

Other aspects of the convention

Article 5: EoI on Request

Article 12: Measures of conservancy

- Similar to the 'asset freeze' provisions of the UN Conventions against Corruption and TOC

Article 11: Recovery of tax claims

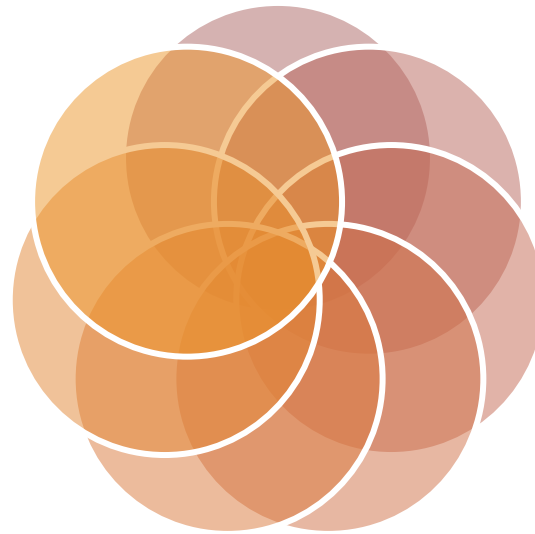
- Requested state has to collect tax claims which are not contested, unless otherwise agreed between Parties
- Obligations regarding deceased persons are limited to the value of the estate

Article 7: Spontaneous exchange of information

Article 8: Simultaneous tax examinations

Article 17: Service of documents

Article 9: Tax examinations abroad



Thank You!

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