



CRS - Common Reporting Standard
BEPS - Base Erosion and Profit Shifting
MLI - Multilateral Instruments
EU-MPfG EU-Meldepflichtgesetz
Doppelbesteuerungsabkommen

What is CRS?

CRS is an international and multilateral agreement developed by the OECD for the annual automatic transmission of account data to the responsible tax office in the account holder's **country of origin**.

- Goals

Increasing tax honesty, combating tax evasion

- Measures

Reporting of account and personal data and income from accounts held abroad (including securities accounts, insurance contracts, etc.)

- Based on

FATCA (Foreign Account Tax Appliance Act): bilateral agreements between the USA and numerous countries for the transfer of tax-related data of US citizens and companies

States not participating in the CRS (status 2019)

- Armenia
- **Cambodia**
- Dominican Republic
- Republic of Georgia
- Guatemala
- Macedonia
- Montenegro
- Paraguay
- Philippines
- Puerto Rico
- Serbia
- Ukraine
- United States
(Consider FATCA RULES) !!

Exempt from obligation to report:

- Account holder, with tax residence in Germany
- For corporate accounts: Authorized signatories with less than 25% of the shares as well as regular business operations of the company in Germany with majority active income; furthermore various non-profit companies, div holdings, listed companies.

The decision as to whether a reporting obligation exists is at the discretion of the bank!

Which data will be passed on?

- Name
 - Address
 - Tax number (if available)
 - Date of birth
 - Place of birth
 - Financial institution
 - Account holder
 - Account number
 - Account balance
 - Account balances (including interest and dividends)
 - Proceeds from the sale of financial contracts
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Implementation of CRS in the UAE

- **UAE has opted for the "widest approach" for implementation:**
“Reporting Financial Institutions are required to perform due diligence procedures and report information on all accounts held by an account holder who is resident for tax purposes in a jurisdiction other than the USA or the UAE jurisdiction.” (Guidance Notes for the CRS by MoF, Dec 2016)
- **UAE Definition of "tax residence":**
 1. For natural persons:
 - Any citizen of the UAE;
 - A person with (i) a valid Emirates ID and (ii) a valid Residency Visa.
 2. For legal entities: A company/enterprise registered, incorporated, managed and controlled in the territory of the UAE.

Singapore

- Singapore has not declared unlimited membership of the CRS, but reserves the right to conclude only **BILATERAL** agreements with individual states.
- No such agreement exists between Singapore and the UAE.
- Who has to report in case of a trust?

UAE as contractual partner of MLI - effects on Double Taxation Agreements

Since July 2018, the UAE has been one of 83 signatories of the OECD's Multilateral Instrument (MLI) to combat aggressive tax avoiding practices, such as profit reduction and profit shifting (BEPS: Base Erosion and Profit Shifting)

Goals

Introduction of certain minimum standards in bilateral double taxation agreements (DTAs) to ensure equal taxation in all Member States

Impact of MLI - BEPS on EU taxpayers

EU-MPfG EU Mandatory Disclosure Act

OECD BEPS (Base Erosion and Profit Shifting) Action 12/2015:
Obligation for taxpayers to disclose their aggressive tax planning models

Directive to be transposed into national law by 31.12.2019
and shall apply in each Member State from 1.7.2020

EU Mandatory Disclosure Act - Hallmarks

Category A General	Category B Specific	Category C Specific	Category D Specific	Category E Specific
Agreement of Confidentiality clauses for non-disclosure against tax authorities	purchase of shell companies for Purpose of Loss exploitation	Deductible payments to low taxed or untaxed recipients	Bypassing the Information Exchange (CRS)	Use of unilateral Safe Harbor rules.
Tax advantage dependent fee (of the Intermediaries)	Conversion of Income in low taxed jurisdictions or exempt income types	Application for avoiding Double taxation in several countries	Measures for non - Disclosure of the economic owner (WiEReG)	Transmission of hard to evaluate intangible assets.
Standardized Tax arrangements	Circular transactions which among other things intermediary companies without primary economic Include function	Multiple depreciation and amortisation of the same asset subject matter or transfer of assets for disposal from different valuation regulations		Cross-border transmission of functions, risks, assets, etc. in the space of associated Company - if the EBIT of the Transmitter within a 3-Annual forecast by more than 50% decreases

Main-Benefit Test: is deemed to be fulfilled if the acquisition of a tax advantage can be established as the main advantage or as one of the main benefits of the design

Who must report?

In principle, all intermediaries are obliged to report

- Main intermediaries are all natural or legal persons who plan, market, organise or supervise the implementation of cross-border models subject to reporting requirements.
- "Auxiliary intermediaries" are all those who provide legal, tax or other advisory support in the development of such models.
- If no intermediary has been commissioned or there is a professional duty of confidentiality on the part of the intermediary (and there is no specific release), the taxpayer is subject to the reporting obligation on a subsidiary basis!

Thank you very much for your attention!

UAE Head Office:

STROHAL LEGAL CONSULTANTS COMP. LTD

Villa 2, 20b Street, Community 153
P.O.Box 31484, Ras Al Khaimah, UAE
Tel: (971) 7 2364530 ,
+959971992340
Fax: (971) 7 2364531
Mobile: (971) 503765847

SINGAPORE Office:

STROHAL LEGAL GROUP PTE. LTD

20 Upper Circular Road #02-10
The Riverwalk, Singapore, 058416
Fax: +65 65330313,
Tel: +65 65330212

MYANMAR Office:

STROHAL LEGAL GROUP

7 B189-195 Pansodan Tower
Yangon, Myanmar

Tel:

AUSTRIA Office:

MARSCHALL & HEINZ

Goldschmiedgasse 8, A 1010
Vienna – Austria

Tel: +43 1 5335256

Fax: +43 1 513191124

Email: office@slglaw.cc

Web: www.slglaw.cc

