

By PwC Deutschland | 17. März 2017

# Tax authorities finalise standards for the automatic exchange of financial information

**The tax authorities have now published the final Ministry of Finance circular answering questions in connection with the application of the exchange of financial information and the FATCA agreement. The draft versions of the circular had previously been released and these are now in a final version.**

## Background

In the fight against cross-border tax evasion and other practices showing a lack of discipline for tax purposes, the OECD has developed a standard for the automatic exchange of information on financial accounts (CRS – Common Reporting Standard). On 29 October 2014 Germany committed itself - in conjunction with numerous other countries – to implement a system for exchange. The CRS obliges financial institutes to report to the German tax authorities information on financial assets, which are managed in participating countries on behalf of taxpayers. This information is exchanged between the tax authorities of participating states.

The conclusion of the so-called FATCA agreement between the USA and Germany on 31 May 2013 also introduced rules on the automatic exchange of tax relevant data from financial institutes. This was also intended to induce more honesty in tax matters cross-border.

The Ministry of Finance has now produced a 96 page document to clarify the various issues.

## Reference

Ministry of Finance circular of 1 February 2017 (IV B 6 – S 1315/13/10021:044), published on the Ministry's home page on 3 March 2017

## Schlagwörter

FATCA, International Tax, automatic exchange of financial account information