

*Annex 7***Recommendation of the Council on
the Standard for Automatic Exchange of
Financial Account Information in Tax Matters****(Adopted on 15 July 2014)**

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Recommendation of the Council on Tax Avoidance and Evasion [C(77)149/FINAL], the Recommendation of the Council on the Use of Tax Identification Numbers in an International Context [C(97)29/FINAL] and the Recommendation of the Council concerning the Model Tax Convention on Income and on Capital [C(97)195/FINAL];

HAVING REGARD to Article 26 of the Model Tax Convention on Income and on Capital;

HAVING REGARD to the Convention on Mutual Administrative Assistance in Tax Matters of 25 January 1988, as amended by the 2010 Protocol [C(2010)10/FINAL], which has a growing number of Parties and signatories, currently totalling over 60 countries;

HAVING REGARD to the significant progress achieved by the Global Forum on Transparency and Exchange of Information for Tax Purposes in ensuring that international standards of transparency and exchange of information on request are fully implemented around the globe;

HAVING REGARD to the Declaration on Automatic Exchange of Information in Tax Matters adopted on 6 May 2014 by 47 countries, including all Members, Argentina, Brazil, the People's Republic of China, Colombia, Costa Rica, India, Indonesia, Latvia, Lithuania, Malaysia, Saudi Arabia, Singapore, South Africa as well as the European Union [C/MIN(2014)5/FINAL];

CONSIDERING that international cooperation is critical in the fight against tax fraud and tax evasion and in ensuring tax compliance, and that a key aspect of such cooperation is effective exchange of information on an automatic basis subject to appropriate safeguards;

CONSIDERING that the adoption of a single standard for automatic exchange of financial account information in tax matters will avoid the proliferation of different standards which would increase complexity and costs for both governments and financial institutions;

CONSIDERING that implementation of a single standard by all financial centres will ensure a level playing field;

CONSIDERING the need to encourage consistent application and interpretation across countries of the single standard;

CONSIDERING the mandate of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the rapid evolution of the standards of transparency and exchange of information for tax purposes;

WELCOMING the Standard for Automatic Exchange of Financial Account Information in Tax Matters which is composed of the Common Reporting Standard and the Model Competent Authority Agreement (hereafter the “Standard”), approved by the Committee on Fiscal Affairs;

TAKING NOTE of the Commentaries to the Common Reporting Standard and the Commentaries to the Model Competent Authority Agreement (hereafter the “Commentaries”), approved by the Committee on Fiscal Affairs [C(2014)81/ADD1];

On the proposal of the Committee on Fiscal Affairs:

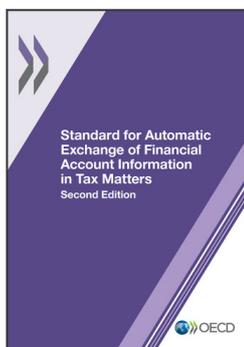
I. RECOMMENDS that Members and non-Members adhering to this Recommendation (hereafter the “Adherents”) swiftly implement on a reciprocal basis the Standard set out in the Annex to this Recommendation of which it forms an integral part.

To this effect, Adherents should:

- (a) transpose the Standard into domestic law, including to ensure that information on beneficial ownership of legal persons and arrangements is effectively collected and exchanged in accordance with the Standard;
- (b) take the necessary measures in compliance with their domestic law to implement any amendments to the Standard; and
- (c) ensure that appropriate safeguards are in place to protect the confidentiality of information exchanged and to comply with

the requirement that information may be used only for the purposes foreseen by the legal instrument pursuant to which the information is exchanged;

- II. RECOMMENDS that Adherents follow the Commentaries when applying and interpreting the relevant domestic law provisions;
- III. INVITES Adherents and the Secretary-General to disseminate this Recommendation widely;
- IV. INVITES non-Members to implement the Standard and to adhere to this Recommendation;
- V. INVITES Adherents to support efforts for capacity building and assistance to developing countries so that they may be able to participate in and reap the benefits of this form of co-operation;
- VI. INVITES all countries that have not already done so to sign and ratify the Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol;
- VII. INVITES the Global Forum on Transparency and Exchange of Information for Tax Purposes to monitor the implementation of the Standard;
- VIII. INSTRUCTS the Committee on Fiscal Affairs to:
 - (i) monitor the application of the Recommendation and to report thereon to the Council no later than three years following its adoption and regularly thereafter;
 - (ii) stand ready to review the Standard and Commentaries in the light of experience gained by Adherents and in consultation with stakeholders;
 - (iii) adopt any required modifications to the Commentaries and make appropriate proposals to Council for modifications to the Standard.



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