

Taxation: mandatory automatic exchange of information

2013/0188(CNS) - 09/12/2014 - Final act

PURPOSE: to extend the scope of automatic exchange of information in order to combat tax fraud and evasion.

LEGISLATIVE ACT: Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation

CONTENT: in recent years, **the challenge posed by cross-border tax fraud and tax evasion** has increased considerably and has become a major focus of concern within the Union and at global level. The European Council on 22 May 2013 requested **the extension of automatic information exchange at Union and global levels** with a view to combating tax fraud, tax evasion and aggressive tax planning.

The importance of automatic exchange of information as a means to combat cross-border tax fraud and tax evasion has recently been recognised also at the international level (G20 and G8).

In July 2014, the **OECD** Council released the **full global standard**, which was endorsed by **G20** Finance Ministers and Central Bank Governors in September 2014.

[Council Directive 2011/16/EU](#) already provides for the mandatory automatic exchange of information between Member States on certain categories of income and capital, mainly of a non-financial nature, that taxpayers hold in Member States other than their State of residence.

This Directive amends Directive 2011/16/EU by extending the scope of automatic exchange of information **to interest, dividends, gross proceeds from the sale of financial assets and other income, as well as account balances**. The aim is to prevent taxpayers from hiding capital abroad or assets on which tax is due, whilst also improving the efficiency of tax collection.

“Automatic exchange” means the systematic communication of predefined information on residents in other Member States to the relevant Member State of residence, without prior request, at pre-established regular intervals.

The automatic exchange of information will be done in **a standard format** in order to facilitate exchange.

Member States will start exchanging information automatically under the revised directive for the first time by the **end of September 2017**. In view of existing structural differences, Austria should be allowed to exchange information automatically under this Directive for the first time by 30 September 2018.

Before 1 July 2017, the Commission shall submit a report that provides an overview and an assessment of the statistics and information received, on issues such as the administrative and other relevant costs and benefits of the automatic exchange of information, as well as practical aspects linked thereto.

ENTRY INTO FORCE: 5.1.2015.

TRANSPOSITION: by 31.12.2015. The provisions of the Directive apply from 1.1.2016.