

Access to anti-money-laundering information by tax authorities

2016/0209(CNS) - 05/07/2016 - Legislative proposal

PURPOSE: to enable tax authorities to consistently access anti-money-laundering information for the performance of their duties in monitoring the proper application of the Directive 2011/16/EU on Administrative Cooperation by Financial Institutions.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: [Directive 2014/107/EU](#) amending [Directive 2011/16/EU](#) on administrative cooperation applies as of 1 January 2016 to 27 Member States and as of 1 January 2017 to Austria. It implements the Global Standard for Automatic Exchange of Financial Account Information in Tax Matters within the EU. As such, it ensures that information on Account Holders of Financial Accounts is reported to the Member State where the Account Holder is resident.

In addition, Directive 2011/16/EU stipulates that, where the Account Holder is an intermediary structure, Financial Institutions are to look through that structure, and **identify and report its beneficial owners**. That important element in the application of the Directive relies on anti-money-laundering ('AML') information obtained pursuant to [Directive 2015/849/EU](#) of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

Recent media leaks exposed the large scale concealment of offshore funds. Further measures still need to be taken to **reinforce the EU and international transparency framework**. In particular, it has become apparent that tax authorities need greater access to information on the beneficial owners of intermediary entities and other relevant customer due diligence information, if they are to effectively identify and address tax evasion.

Tax administrations' access to anti-money-laundering information differs considerably throughout the EU. Even when this access is granted, authorities often still encounter significant barriers that hinder the effectiveness of their work against tax avoidance and evasion.

To ensure effective monitoring of the application by Financial Institutions of the due diligence procedures set forth in Directive 2011/16/EU, the tax authorities need access to AML information.

This proposal is part of the Commission's ambitious agenda against tax evasion and avoidance, with a view to delivering fairer and more effective taxation in the EU.

CONTENT: this proposal seeks to amend Directive 2011/16/EU on administrative cooperation in the field of taxation by introducing a measure to **enable tax authorities to consistently access anti-money-laundering information for the performance of their duties**.

The amendment would enable tax authorities to have access to the mechanism, procedures, documents and information on beneficial ownership information and the underlying customer due diligence procedures as part of the Fourth Anti-Money-Laundering Directive.

The proposed Directive respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union.