

Common Reporting Standard (CRS) is an internationally agreed standard for the automatic exchange of information (AEOI) on financial accounts.

The Common Reporting Standard (CRS) is an information standard for the Automatic Exchange of Information (AEOI), regarding financial accounts globally, this is between tax authorities which the Organisation of Economic Co-operation and Development (OECD) has developed in 2014. Its scope is the avoidance of tax evasion.

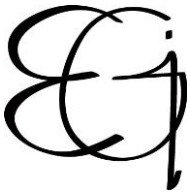
Under the CRS, customers, such as financial institutions, are required to **identify the tax residency of all their customers** and in most cases report information on customers who are tax resident in foreign jurisdictions where they hold their accounts.

Who is a “Reportable Person”? A Reportable Person is **an individual (or entity) that is tax resident in a Reportable Jurisdiction under the laws of that specific jurisdiction**. There are still approximately 100 countries that do not share this information under the CRS. In Eastern European, North, and Central Asian countries such as Serbia, Georgia and Armenia information is not shared.

WHAT YOU SHOULD KNOW:

- 1. Business Accounts that existed before CRS are excluded;** If it is a corporate account that was in existence before 2016 and the balance is less than \$250,000 no information are authorized to be exchanged under CRS.
- 2. Moving your Tax Residency; When** moving your tax residency to a tax heaven jurisdiction, your overseas bank will send the information there. On the other hand, there are the residencies or citizenships offered by countries who are not participating in the CRS or who have chosen “**voluntary secrecy**” i.e., to send, but not receive information under the CRS. The residents of one of these countries will become “non-reportable” and therefore their banking information will not be collected or exchanged with other countries for CRS purposes.
- 3. Only shareholders holding more than 25% are disclosed (linked to the UBO(s) /Controlling person of a company)**

CRS applies to the shareholders that hold more than 25% of the shareholding structure. A corporate shareholding structure with 5 shareholders, each holding 20% of the share capital, is not reportable,



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however, a complicated structure is considered a high-risk client by default and is closely monitored by the AML department of a bank institution.

- 4. Only a financial investment is reportable under the CRS**
- 5. Listed companies are not reportable under the CRS (listed under recognized stock exchange)**
- 6. The account balance is reported once a year, the 31st of December.** In case of a zero balance this is reportable to your home country under CRS.

WHAT YOU SHOULD CONSIDER:

1. Be aware who is completing your CRS and FATCA information when you are proceeding with the opening of a bank account either corporate or personal.
2. Proceed with tax advice and re-structuring, if necessary.
3. ALWAYS, consult your legal expert.

Contact us to **FIND OUT MORE.**

Sincerely,

EOJOURIAN & GEORGIUO LLC

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