



AEOI (Automatic Exchange of Information)

Background Factsheet

What is AEOI and how does it work?

Current international developments demonstrate that the move towards tax compliance is a step towards transparency. A significant momentum in this context of ongoing transformation took place in July 2013, when the G20 finance ministers unanimously approved the recommendation of the OECD (Organisation for Economic Cooperation and Development) to introduce an Automatic Exchange of Information (AEIOI) in tax matters. At Kaiser Partner, we believe that acting with integrity and transparency has become the major element in a constantly changing world. Therefore, we are convinced that tax compliance forms the decisive aspect for future-oriented asset protection.

Additional to the AEOI-participation, the conclusion of bi- and multilateral agreements between each countries is necessary (so-called AEOI-partner states). The exchange of information between AEOI-partner states is automatic: The financial institutions with residence in an AEOI-partner state are obliged to send information about the financial accounts of their clients, which reside in another AEOI-partner state, to the national tax authority. Afterwards the tax authorities of the AEOI-partner states exchange the data with each other. Therefore, foreign tax authorities receive information about their own taxable persons, which keep assets abroad. The aim is to make tax evasion impossible.

Which countries are participating in the AEOI and do exchange information?

The participating countries that exchange information from a defined point in time, the list of partner states and the actual content of bi- or multilateral agreements are constantly changing. Therefore, only the actual and official list from OECD and the actual law of Liechtenstein provide exact information.*

* www.oecd.org/tax/automatic-exchange/commitment-and-monitoring-process/AEOI-commitments.pdf
www.gesetze.li/konso/2015358000

With whom does Liechtenstein exchange information?

In the AEOI-Ordinance is a list of partner states resp. reportable states attached. Currently, Liechtenstein has 114 partner states resp. reportable states (Status 01.01.2021).

In general, the AEOI-exchange is reciprocal structured, which means that AEOI-reports are as well sent as received by a specific state. Only a few ones, the non-reciprocal partner states, do not want to receive any AEOI-information (example BVI).

Reportable persons: Who is affected by AEOI?

An account holder can be a reportable person if its/his/her tax residence is in a participating jurisdiction. The exchange includes not only information on the account holders of bank accounts, but also persons with an equity or debt interest in an entity. Such account holders may be:

- Equity interest holders
 - owners
 - founders/settlers
 - entitled beneficiaries / contingent beneficiaries
 - discretionary beneficiaries
 - trustees/board members
 - protectors
 - other persons controlling the entity
- Debt interest holders

Reportable information: Which information will be exchanged?

The exchanged information contains:

- From every reportable person, who is owner of an account: Name, Address, Jurisdiction(s) of residence, Taxpayer Identification Number(s) and Date of Birth / Date of Establishment
- Account number or functional equivalent if there is no account number
- Name and identification number of the financial institution that is reporting
- The account balance or value of the account as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account
- The total gross amount paid or credited to the Account Holder with respect to the account with respect to which the Reporting Financial Institution is the debtor

How is the data treated?

All information to be exchanged, which the Competent Authority of a partner jurisdiction receives shall be treated as confidential in the same manner as information obtained under the domestic legislation of this partner jurisdiction. Such information shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to taxes of a partner jurisdiction, or the oversight of the above. These persons or authorities shall use the exchanged information only for such purposes (except the law of a partner jurisdiction authorises such use for other purposes). Exchanged information may not be transmitted to third countries.

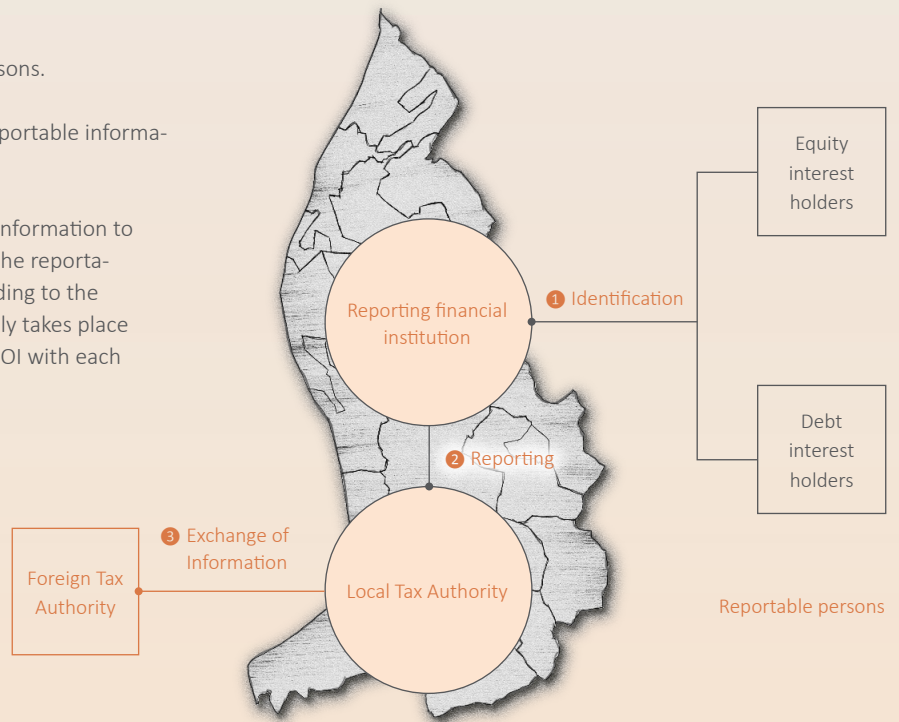


Which rights do reportable persons and entities have?

According to the AEOI-law and the law of data protection, reportable persons and entities have especially the right of disclosure and correction of their information. They can claim these rights over the reporting institution or also over the tax authority of Liechtenstein.

Reportable persons and entities have the right of disclosure, if there are information concerning themselves, which are in process. If this is the case, they may request information about these data that are exchanged, as well as the source of the data, the purpose, the legal basis of the process, the participants in the collection and the data recipients. Furthermore, reportable persons have the right to correct incorrect data.

- 1 Financial institution identifies reportable persons.
- 2 Reporting financial institution submits the reportable information to the local tax authority.
- 3 The local tax authority sends the reportable information to the tax authorities of the jurisdiction where the reportable person is resident for tax purposes according to the financial institution's documentation. This only takes place if the two jurisdictions have agreed to the AEOI with each other.



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