

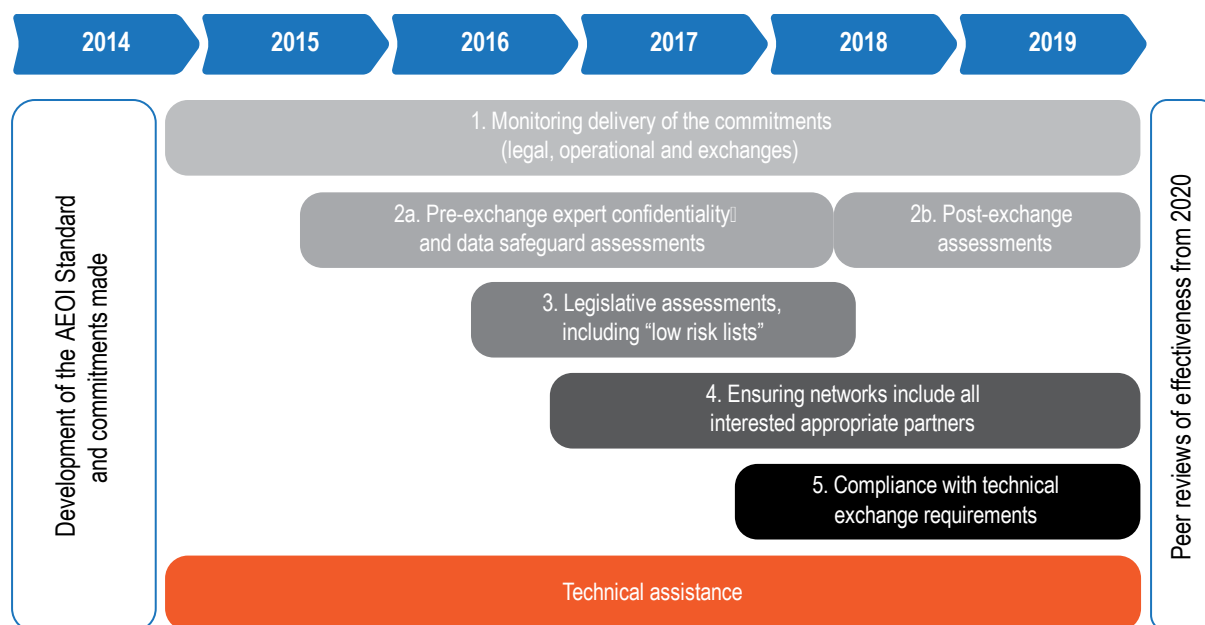
Annex A. Assessments carried out under the Staged Approach

For all of the requirements of the AEOI Standard to be properly assessed, the peer reviews would have to be delayed until the exchanges had been routinely taking place for some time. The Global Forum therefore put in place a “Staged Approach” to monitor, assess and assist in the implementation of the AEOI Standard, while it was being implemented.

Of central importance to the approach was the concept that, by looking early in the implementation process at the areas that could be assessed in advance of exchanges taking place, any issues with respect to key areas of implementation could be quickly identified and addressed. This was to help ensure the effective implementation of the AEOI Standard from the start.

Recent years have therefore seen various monitoring and assistance activities being carried out by the Global Forum, with the peer review elements being separated into modules. The diagram below depicts each module of the Staged Approach, including the timings with respect to the jurisdictions committed to commence exchanges from 2017 or 2018. The individual modules are described in more detail below.

Figure A A.1. The Staged Approach to the AEOI assessment process



Source: Secretariat of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Individual modules of the Staged Approach

1. Commitments and monitoring implementation: Every jurisdiction that commits to implement the AEOI Standard are tracked with respect to all of the key implementation milestones, with jurisdictions providing regular updates to the Global Forum on their progress. The results of this process have been used to provide regular internal monitoring reports to Global Forum members and to the G20, as well as to produce this report. The tracking of key milestones also allows the identification of assistance needs, such as on domestic legislation, international agreements, information technology systems and administrative infrastructure.

2. Expert confidentiality and data safeguard assessments: Vital to the exchange of information is the security of the information being exchange. Legal and operational frameworks must therefore be in place to keep the information exchanged confidential and properly safeguarded. An expert panel from member jurisdictions conduct pre-exchange assessments to ensure jurisdictions meet the confidentiality and data safeguard requirements, prior to them exchanging information. The Global Forum provides assistance where issues are identified. Post-exchange reviews, including of the operational frameworks actually used for the exchanges, are also underway for all jurisdictions exchanging information, to provide assurance that the requirements continue to be met.

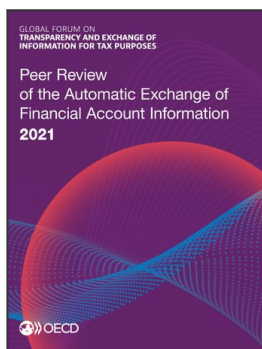
3. Legislative assessments, including low-risk lists: Every jurisdiction must also introduce a legislative framework to ensure Reporting Financial Institutions conduct the required due diligence and reporting procedures, as well as a framework for enforcement. Each jurisdiction's domestic legislative framework is therefore peer reviewed once it is put in place (i.e. even before exchanges commence). This includes a legislative gap analysis to ensure all of the key elements of the AEOI Standard are incorporated and an assessment of each jurisdiction's lists of Non-Reporting Financial Institutions and Excluded Accounts to ensure their conformity with the AEOI Standard. Where gaps are found, recommendations are made.

4. Ensuring networks include all interested appropriate partners: Reviewing the exchange agreements being put in place is also a key component of the monitoring and review processes. This ensures the delivery by each jurisdiction of its commitment to exchange information with "all Interested Appropriate Partners". Where a jurisdiction is concerned about delays to the putting in place of a particular exchange agreement it can trigger a peer review of the situation.

5. Compliance with the technical exchange requirements: Ultimately, jurisdictions must collect the actual information from the Reporting Financial Institutions and exchange it. Each jurisdiction's technical readiness to exchange is therefore also monitored.

Technical assistance: Realising the full benefits of AEOI requires as many jurisdictions as possible implementing the AEOI Standard as effectively as possible. This requires assistance to be given where needed. Ensuring developing countries can access the benefits the AEOI Standard has to offer, in particular, often requires significant support. The Global Forum therefore provides technical assistance throughout the commitment and implementation process.

Reviews of the effectiveness of the implementation of the AEOI Standard: Securing the full benefits of the AEOI Standard also requires it to be operating effectively in practice, including that jurisdictions are ensuring Reporting Financial Institutions are effectively implementing the requirements. With exchanges now fully underway, and with the publication of the conclusions with respect to the legal frameworks, the peer reviews with respect to the effectiveness of the implementation of the AEOI Standard in practice have commenced. The first results are expected to be published in 2022.



From:
**Peer Review of the Automatic Exchange of
Financial Account Information 2021**

Access the complete publication at:

<https://doi.org/10.1787/90bac5f5-en>

Please cite this chapter as:

OECD (2021), "Assessments carried out under the Staged Approach", in *Peer Review of the Automatic Exchange of Financial Account Information 2021*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/54538898-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.