

Executive summary

The Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI Standard), developed by the OECD working with G20 countries, provides a common international framework for the domestic collection and international exchange of information on Financial Accounts for tax purposes.

Under the AEOI Standard, Financial Institutions report information to their domestic tax authorities in relation to Financial Accounts held by foreign tax residents or, in certain cases, held by Entities controlled by foreign tax residents (defined as Controlling Persons). Tax authorities then exchange that information with the tax authority from the jurisdiction where the Account Holder/Controlling Person is resident.

Access to such information provides a powerful tool for tax authorities to verify whether taxpayers are properly declaring their international financial affairs and paying the tax that is due to their domestic tax authorities. This is important to tackle tax avoidance and evasion as well as to maintain public confidence that the increasing globalisation of the financial system is not undermining domestic tax systems. This is of heightened importance as jurisdictions work to address the impacts of the COVID-19 pandemic.

That almost 100 jurisdictions exchanged information in 2019 relating to 84 million financial accounts with a total value of around EUR 10 trillion demonstrates the significance of the AEOI Standard. These figures are also set to grow further. In 2020, 105 jurisdictions are due to exchange information and the network of exchange relationships has increased by 15%, to around 7 000. As for the 2020 exchanges, the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) agreed to jurisdictions completing them by the end of December, rather than the end of September, due to the operational impact of the COVID-19 pandemic on tax authorities and financial institutions.

While recognising the huge progress made, there is still work to do to ensure the AEOI Standard is fully effective in delivering on the international community's objective of tackling tax avoidance and evasion. This includes ensuring that the few remaining jurisdictions delayed in commencing exchanges deliver on their commitment and ensuring that each jurisdiction that has implemented the AEOI Standard has done so in a way that works effectively in practice. For these purposes, it needs to be ensured that the domestic and international legal frameworks implementing the AEOI Standard have been put in place in accordance with the requirements, along with the requirements to ensure the frameworks operate effectively in practice.

Therefore, in addition to the monitoring of the timeliness of the delivery of the commitments made to implement the AEOI Standard, the Global Forum is carrying out peer reviews to ensure the effectiveness of the implementation of the AEOI Standard. These are conducted in accordance with the agreed Terms of Reference for the AEOI reviews (the AEOI Terms of Reference).

The peer reviews consist of:

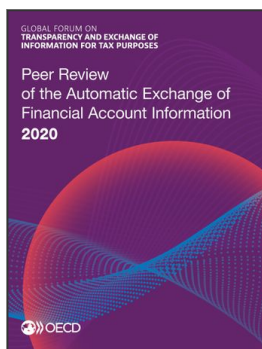
- A review of each jurisdiction's domestic and international legal frameworks to ensure they are complete, in accordance with the detailed requirements.
- A review of the effectiveness of each jurisdiction's implementation of the AEOI Standard in practice, including the operational frameworks put in place to ensure compliance by Financial Institutions with the requirements.

This report contains, for the first time, the conclusions of the peer reviews of the legal frameworks put in place by each jurisdiction to implement the AEOI Standard. The results relate to the 100 jurisdictions that committed to exchanging information from 2017 or 2018. The Global Forum has also commenced the reviews of the effectiveness in practice of these 100 jurisdiction's implementation of the AEOI Standard. It is due to publish the results in 2022.

This report is structured as follows:

- Chapter 1 provides the latest results of the monitoring process to track the timeliness of the delivery of the commitments by each jurisdiction to implement the AEOI Standard.
- Chapter 2 sets out details of the peer reviews of the legal frameworks that have been conducted, along with a summary of the results, including the determinations made with respect to each jurisdiction.
- Chapter 3 presents the analysis and results of each jurisdiction's peer review, including the specific recommendations made.
- Annex A details the staging of the various reviews (the "Staged Approach").
- Annex B provides information on all the exchange agreements that are in place with respect to the AEOI Standard, including those activated through multilateral frameworks, as well as bilateral agreements.
- Annex C presents an extract from the AEOI Terms of Reference with respect to the legal frameworks.

The information in this report is up to date as of 2 December 2020. Further information and updates are available on the AEOI Portal (www.oecd.org/tax/automatic-exchange) and the relevant communication channels that each jurisdiction has in place domestically.



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