GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review of the Automatic Exchange of Financial Account Information

2023 Update



OECD

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Table of contents

Abbreviations and acronyms 4

Executive summary 5

1 Monitoring and reviewing the implementation of the AEOI Standard – the results 8
- The AEOI commitment process 9
- Monitoring the timeliness of delivery 9
- Peer reviews of the effectiveness of implementation 13

2 The methodologies for the Global Forum's AEOI peer reviews 26
- Global Forum AEOI peer reviews: covering all relevant areas 27
- Peer reviews of the AEOI legal frameworks 28
- Peer reviews of the effectiveness in practice of AEOI implementation 30

3 Jurisdiction-specific reports 35
- Albania 36
- Aruba 39
- Azerbaijan 43
- Belgium 46
- Belize 49
- Costa Rica 52
- Ecuador 56
- Ghana 60
- India 72
- Israel 75
- Kazakhstan 79
- Kuwait 85
- Latvia 96
- Uruguay 100

Annex A. Details of the exchange agreements in place 103

Annex B. The AEOI Terms of Reference 104

Abbreviations and acronyms

AEOI	Automatic Exchange of Information
AEOI Standard	Standard for Automatic Exchange of Financial Account Information in Tax Matters
AML	Anti-Money Laundering
APRG	AEOI Peer Review Group
CFT	Combating the Financing of Terrorism
CR	Core Requirement
CRS	Common Reporting Standard
CRS MCAA	CRS Multilateral Competent Authority Agreement
CTS	Common Transmission System
FATCA	Foreign Account Tax Compliance Act
FATF	Financial Action Task Force
G20	The Group of Twenty
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
KYC	Know Your Customer
Model CAA	Model Competent Authority Agreement
OECD	Organisation for Economic Co-operation and Development
RFI	Reporting Financial Institution
SR	Sub-requirement

Executive summary

Ensuring the correct payment of tax is crucial to maintaining public finances and the public's trust in the tax system. This has become increasingly challenging for tax authorities, as the financial sector has become increasingly globalised. International cooperation has consequently become the norm, providing tax authorities with the necessary tools to ensure that taxpayers with offshore financial activities meet their domestic tax obligations.

One of the key tools for tax authorities is exchanging information on financial assets held offshore under the Standard for Automatic Exchange of Financial Account Information in Tax Matters (AEOI Standard), which was developed by the OECD, working with G20 countries and subsequently adopted by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum). The information exchanged includes details of Financial Accounts held by foreign tax residents including, in certain cases, where such Financial Accounts are held through Entities that are controlled by foreign tax residents (defined as Controlling Persons). This helps ensure that tax evaders are at greater risk than ever of being caught and deters them from failing to properly declare their financial activities offshore.

So far, 108 jurisdictions have exchanged information under the AEOI Standard. Information on over 123 million financial accounts was exchanged automatically in 2022, covering total assets of almost EUR 12 trillion. This form of cooperation is set to increase further, with another nine jurisdictions expected to implement the AEOI Standard in the coming years. This move to the automatic exchange of information has had a dramatic impact on taxpayer behaviour and the ability of tax authorities to ensure tax compliance. Nearly EUR 126 billion in tax, interest and penalties have been raised by jurisdictions through voluntary disclosure programmes and other offshore tax compliance initiatives since the commitments were made to implement the AEOI Standard and academic studies have shown that financial investments held in international financial centres have decreased by 20% over the same time period, also linked to the implementation of the AEOI Standard.

Reaching this point is the result of significant investment by governments across the world, all of which needed to introduce new legislation to require Financial Institutions to conduct the detailed due diligence and reporting rules, put in place new international exchange agreements to exchange the information and implement technical and operational solutions to deliver the exchanges in practice. In addition, legal, operational and technical frameworks have been needed to keep the information confidential and secure.

In order to realise the benefits the AEOI Standard has to offer, including maximising the deterrent effect and the usability of the information exchanged, it must be ensured that the AEOI Standard is implemented effectively and on a widespread basis. This is why the G20 called on the Global Forum to monitor and review its global implementation. This started with a commitment process, whereby all Global Forum members, except developing countries that did not host a financial centre, were asked to commit to implement the AEOI Standard. The Global Forum later moved to peer reviews of the effectiveness of implementation. This includes peer reviews of the completeness of the domestic and international legal frameworks implementing the AEOI Standard as well as the effectiveness in practice of the frameworks to ensure compliance by Financial Institutions and of the annual information exchanges.

Following the publication of annual monitoring reports since the first exchanges under the AEOI Standard commenced in 2017, in 2020, the Global Forum published the results of its peer reviews of the legal frameworks of the 99 jurisdictions that committed to commence exchanges in 2017 or 2018. Subsequent reports have included the peer review results with respect to later committers and of reassessments where amendments have been made to the legal frameworks, such as to address recommendations made. In 2022 the Global Forum published the first results of its initial peer reviews of the effectiveness in practice of the implementation of the AEOI Standard, including ratings, again for the first 99 jurisdictions. The *Peer Review of the Automatic Exchange of Financial Account Information 2022* (https://doi.org/10.1787/36e7cded-en) therefore includes the first set of comprehensive peer review results, including both assessments of the legal frameworks and their effectiveness in practice.

This report provides an update to the 2022 report. It summarises the latest situation and includes the results of the assessments of the legal frameworks of an additional three jurisdictions (that committed to commence exchanges under the AEOI Standard in 2021), bringing the total to 112 jurisdictions. It also includes the results of reassessments of the legal frameworks of ten jurisdictions. Finally, the results of the initial effectiveness reviews of two additional jurisdictions are included (that committed to commence exchanges in 2019), bringing the total to 101 jurisdictions. While this report contains the detailed analysis and findings of the new assessments, further information on the peer reviews previously conducted can be found in the 2022 AEOI Report.

The results show a very high level of completeness of the legal frameworks, with over 90% of jurisdictions being assessed reaching a determination of “In Place” or “In Place But Needs Improvement”. With respect to the results of the initial reviews of effectiveness in practice, the large majority of jurisdictions are “On Track” with their implementation, including implementing administrative compliance frameworks that are effective in ensuring compliance by Financial Institutions and ensuring the smooth operation of the exchanges in practice.

The results also show that there is more to do to ensure the effectiveness of the AEOI Standard, including retaining a focus on the application and impact of the administrative compliance frameworks as they mature and supporting the jurisdictions that are still in the process of developing their administrative compliance frameworks. In order to retain this focus, the Global Forum put in place a framework for a second round of peer reviews in relation to the effective implementation of the AEOI Standard. These commenced in 2023 and are designed to obtain a deeper level of comfort that jurisdictions are implementing the AEOI Standard effectively, including onsite visits by Assessment Teams where all key stakeholders are met from the public and private sectors. The results of these peer reviews are due to be published in 2025.

This report is structured as follows:

- Chapter 1 provides the latest results of the monitoring and peer review processes, including the delivery of the commitments to implement the AEOI Standard, details of the exchanges that took place in 2023 and a summary of the determinations in relation to the AEOI legal frameworks and the ratings in relation to effectiveness in practice for each implementing jurisdiction, including the new and updated ratings from the reviews conducted this year.
- Chapter 2 sets out the methodologies for the Global Forum’s peer reviews, including of the AEOI legal frameworks and the initial reviews of the effectiveness of the implementation of the AEOI Standard in practice. It also provides details of the in-depth effectiveness reviews being conducted under the second round.
- Chapter 3 contains the jurisdiction-specific peer review reports completed since the publication of the 2022 AEOI Review Report, including the analysis, findings and recommendations made.
- Annex A provides information on the exchange agreements that the jurisdictions that have been newly assessed in relation to their legal frameworks they have in place with respect to the AEOI Standard.

- Annex B contains the AEOI Terms of Reference, which provides the basis for the AEOI reviews.

The information in this report is up to date as on 17 November 2023. Updates are available on the Global Forum website (www.oecd.org/tax/transparency/documents/key-publications-and-documents.htm#AEOI) and the relevant communication channels that each jurisdiction has in place domestically.

1 Monitoring and reviewing the implementation of the AEOI Standard – the results

123 jurisdictions, including developed and developing countries, have either commenced exchanges under the AEOI Standard or are set to do so in the near future. Maximising the benefits that the AEOI Standard has to offer is ensured through its widespread and effective implementation. This is delivered through the Global Forum's monitoring and review processes, as well as through its capacity building programme.

The OECD, working with G20 countries, developed the AEOI Standard in 2014. The G20 then asked the Global Forum to monitor the implementation of the AEOI Standard worldwide. As a first step, the Global Forum initiated a commitment process to ensure the widespread implementation of the AEOI Standard.

The AEOI commitment process

The Global Forum quickly put in place a commitment process to ensure the widespread implementation of the AEOI Standard. All of its members, except for developing countries that did not host a financial centre, were invited to commit to implement the AEOI Standard to specific timelines. This led to 100 jurisdictions committing to:

- implement the AEOI Standard;
- exchange information with all Interested Appropriate Partners (which are all jurisdictions interested in receiving information from a jurisdiction and that meet the expected standards in relation to confidentiality and data safeguards); and
- commence exchanges in 2017 or 2018.

A total of 23 additional jurisdictions have subsequently committed to implement the AEOI Standard, with commencement dates ranging from 2019 to 2026. This includes developing countries not asked to commit to the AEOI Standard but that wish to access the benefits it has to offer and jurisdictions identified through the Global Forum's "jurisdiction of relevance" process, established to maintain a level playing field.

Monitoring the timeliness of delivery

Once commitments are made, the Global Forum monitors the timeliness of the delivery of each aspect of the implementation process. These include:

- putting in place a domestic legislative framework requiring Financial Institutions to collect and report the information for exchange, in accordance with the due diligence and reporting rules contained in the AEOI Standard;
- putting in place an international legal framework that allows the automatic exchange of information with a jurisdiction's exchange partners, which includes an underlying legal basis for exchange and an administrative agreement containing the detailed specificities. In the overwhelming majority of cases the multilateral frameworks are used; the multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Convention) and the associated Multilateral Competent Authority Agreement (MCAA); and
- establishing a technical infrastructure to receive the information from Financial Institutions and to process and transmit it to exchange partners. All jurisdictions use the Common Transmission System (CTS), procured by the OECD and managed by the Global Forum, to transmit the information.

In addition, both before and after jurisdictions receive information from their partners, their confidentiality and data safeguards frameworks are assessed to provide assurance that the information will be kept safe and only be used for the purposes agreed with each partner. Where substantive issues are identified, they must be addressed to receive, or continue to receive, information.

Delivery of the commitments

Table 1.1 presents details of the numbers of partners to which information was successfully sent by each implementing jurisdiction from 2018 to 2023. The data presented includes jurisdictions that received information as well as all instances where the necessary (domestic and international) legal frameworks were in place containing an obligation on Reporting Financial Institutions to report information with respect to tax residents of an exchange partner, but where no relevant Reportable Accounts were identified in practice (i.e. essentially a nil return).

97% of jurisdictions have delivered their commitment to exchange information under the AEOI Standard.

Table 1.1. Jurisdictions that exchanged information from 2018 to 2022

Jurisdiction	Year of commitment to first exchanges	Number of partners to which data was sent (Year Data Exchanged (EY) / Underlying Reportable Year (RY))					
		EY: 2018 RY: 2017	**EY: 2019** RY: 2018	**EY: 2020** RY: 2019	**EY: 2021** RY: 2020	**EY: 2022** RY: 2021	**EY: 2023** RY: 2022
1. Albania[1, 2]	2021	N/A	N/A	59	69	75	74
2. Andorra	2018	39	59	69	62	67	78
3. Anguilla	2017	4	52	52	55	57	67
4. Antigua and Barbuda[8]	2018	36	35	30	33	23	-
5. Argentina	2017	56	67	71	76	78	82
6. Aruba	2018	50	58	66	64	65	62
7. Australia	2018	57	64	70	72	76	76
8. Austria	2018	46	61	68	71	77	78
9. Azerbaijan[1]	2018	33	53	48	67	74	79
10. Bahamas	2018	36	48	56	60	66	66
11. Bahrain	2018	38	50	59	63	65	70
12. Barbados	2018	57	53	61	64	62	68
13. Belgium	2017	66	69	72	77	80	83
14. Belize	2018	47	59	64	63	67	69
15. Bermuda	2017	52	61	60	64	70	72
16. Brazil	2018	56	67	69	76	76	77
17. British Virgin Islands	2017	50	64	67	65	61	73
18. Brunei Darussalam	2018	27	27	33	41	61	62
19. Bulgaria	2017	60	65	71	73	77	80
20. Canada	2018	56	59	57	66	65	64
21. Cayman Islands	2017	57	64	70	73	73	79
22. Chile	2018	48	63	69	72	71	75
23. China (People's Republic of)	2018	52	64	69	75	76	76
24. Colombia	2017	60	65	70	77	77	83
25. Cook Islands	2018	45	62	68	68	72	79
26. Costa Rica[3]	2018	49	67	69	71	0	61
27. Croatia	2017	60	65	70	76	77	79
28. Curaçao	2018	57	57	66	51	71	71
29. Cyprus	2017	59	67	72	74	77	80
30. Czechia	2017	60	60	66	74	80	83
31. Denmark	2017	66	69	73	76	78	83
32. Dominica	2018	0	0	0	56	65	62
33. Ecuador[1]	2021	N/A	N/A	N/A	46	65	72

34.	Estonia	2017	62	66	69	73	74	78
35.	Faroe Islands	2017	57	67	67	73	72	76
36.	Finland	2017	66	69	70	77	81	82
37.	France	2017	62	66	68	71	75	80
38.	Including New Caledonia	2020	N/A	N/A	29	33	36	59
39.	Germany	2017	63	68	68	74	77	80
40.	Ghana[1]	2019	N/A	56	64	62	68	72
41.	Gibraltar	2017	51	59	69	72	75	77
42.	Greece	2017	67	68	69	74	76	81
43.	Greenland	2018	57	67	69	77	76	82
44.	Grenada	2018	55	54	65	61	59	57
45.	Guernsey	2017	61	64	70	73	78	82
46.	Hong Kong (China)	2018	36	45	50	67	71	75
47.	Hungary	2017	57	66	72	72	73	82
48.	Iceland	2017	59	64	67	70	73	76
49.	India	2017	60	67	68	74	77	81
50.	Indonesia	2018	59	66	69	72	77	76
51.	Ireland	2017	66	69	73	78	80	81
52.	Isle of Man	2017	57	64	68	75	78	82
53.	Israel	2018	41	55	61	67	71	65
54.	Italy	2017	64	67	71	76	75	77
55.	Jamaica[1]	2022	N/A	N/A	N/A	N/A	13	44
56.	Japan	2018	55	67	70	75	77	82
57.	Jersey	2017	58	65	69	72	76	79
58.	Jordan[4]	2023	N/A	N/A	N/A	N/A	N/A	0
59.	Kazakhstan[4]	2021	N/A	N/A	N/A	44	58	53
60.	Korea	2017	59	67	70	74	76	81
61.	Kuwait[5, 9]	2019	34	52	67	62	72	0
62.	Latvia	2017	56	66	69	75	78	81
63.	Lebanon[6]	2018	27	59	50	60	-	-
64.	Liechtenstein	2017	50	60	68	75	74	79
65.	Lithuania	2017	63	66	70	70	75	79
66.	Luxembourg	2017	66	69	72	77	79	83
67.	Macau (China)	2018	36	48	60	67	70	73
68.	Malaysia	2018	42	64	65	69	73	76
69.	Maldives[1]	2022	N/A	N/A	N/A	N/A	35	56
70.	Malta	2017	61	67	73	73	73	83
71.	Marshall Islands[6]	2018	1	57	59	60	58	0
72.	Mauritius	2018	58	65	69	74	75	77
73.	Mexico	2017	60	67	67	73	75	79
74.	Monaco	2018	34	58	63	65	66	70
75.	Montenegro[4]	2023	N/A	N/A	N/A	N/A	N/A	0
76.	Montserrat	2017	12	16	60	0	57	60
77.	Nauru[7]	2018	No RFIs	No RFIs	No RFIs	No RFIs	No RFIs	No RFIs
78.	Netherlands	2017	61	65	68	70	77	82
79.	New Zealand	2018	55	65	66	73	77	82
80.	Nigeria[1]	2020	N/A	N/A	25	63	73	74
81.	Niue[7]	2018	No RFIs	No RFIs	No RFIs	No RFIs	No RFIs	No RFIs
82.	Norway	2017	64	68	71	75	77	82
83.	Oman[5]	2020	N/A	N/A	28	28	39	58
84.	Pakistan[1]	2018	40	55	57	61	55	69
85.	Panama	2018	32	62	63	67	68	68
86.	Peru[1]	2020	N/A	N/A	15	45	61	72

87.	Poland	2017	66	69	71	74	76	78
88.	Portugal	2017	66	69	71	76	75	80
89.	Qatar	2018	9	49	49	58	59	64
90.	Romania	2017	59	65	67	71	77	74
91.	Russia	2018	50	58	63	69	No data	No data
92.	Saint Kitts and Nevis	2018	25	62	57	59	61	80
93.	Saint Lucia	2018	40	61	65	68	69	75
94.	Saint Vincent and the Grenadines	2018	65	56	0	0	21	76
95.	Samoa	2018	45	59	64	66	63	69
96.	San Marino	2017	57	63	68	71	74	82
97.	Saudi Arabia	2018	56	65	68	74	72	78
98.	Seychelles	2017	55	66	63	25	49	72
99.	Singapore	2018	50	63	66	70	75	77
100.	Sint Maarten	2018	[ ]	[ ]	[ ]	[ ]	49	31
101.	Slovak Republic	2017	62	67	68	77	77	80
102.	Slovenia	2017	64	69	72	78	80	83
103.	South Africa	2017	57	63	68	76	77	82
104.	Spain	2017	66	71	72	78	80	83
105.	Sweden	2017	61	66	70	73	78	81
106.	Switzerland	2018	36	62	66	72	73	81
107.	Thailand[4]	2023	N/A	N/A	N/A	N/A	N/A	33
108.	Trinidad and Tobago	2018	-	-	-	-	-	-
109.	Türkiye	2018	1	1	34	55	73	78
110.	Turks and Caicos Islands	2017	44	0	63	67	68	75
111.	United Arab Emirates	2018	43	53	68	70	75	78
112.	United Kingdom	2017	62	68	70	72	76	81
113.	Uruguay	2018	59	67	70	74	77	83
114.	Vanuatu	2018	20	42	53	53	61	67

Notes:

The number of exchanges jurisdictions have undertaken each year reflect successful data transmissions as well as instances where, notwithstanding that the necessary legal frameworks are in place, not data was reported by the Financial Institutions with respect to particular exchange partners. The total number of exchanges can fluctuate for a variety of reasons. They often increase due to new jurisdictions participating in the AEOI Standard, the expansion of exchange networks and delayed exchanges (which can be attributable to a prior year). They can also decrease, such as when delays occur or when technical difficulties arise (in the sending or receiving jurisdiction), which can lead to the rejection of files exchanged. Where delays occur, or technical difficulties arise, jurisdictions are expected to address the issues and send/re-send the information.

The United States has undertaken automatic information exchanges pursuant to FATCA from 2015 and entered into intergovernmental agreements (IGAs) with other jurisdictions to do so. The Model 1A IGAs entered into by the United States acknowledge the need for the United States to achieve equivalent levels of reciprocal automatic information exchange with partner jurisdictions. They also include a political commitment to pursue the adoption of regulations and to advocate and support relevant legislation to achieve such equivalent levels of reciprocal automatic exchange.

1. These jurisdictions are developing countries that were not asked to commit to implementing the AEOI Standard to a particular timeline, but did so voluntarily.
2. Albania voluntarily committed to commence exchanges in 2021 but did so in 2020.
3. Costa Rica temporarily suspended exchanges while it reviewed its confidentiality and data safeguard arrangements. It re-started the transmission of data in 2023, including data that was due to have been exchanged in 2022.
4. This jurisdiction was identified through the Global Forum process aimed at identifying jurisdictions of relevance for the implementation of the AEOI Standard and subsequently voluntarily committed to implement the AEOI Standard.
5. These developed jurisdictions joined the Global Forum after the commitment process was conducted in 2014. They were therefore asked to commit to a particular timeline upon joining.
6. This jurisdiction is delayed in undertaking exchanges. It is expected to carry out the exchanges in the near future.
7. As established through the peer review process, there are no Reporting Financial Institutions (RFIs) located in these jurisdictions.
8. Antigua and Barbuda conducted exchanges in 2023 but the number is yet to be verified.
9. Kuwait has temporarily suspended exchanges while it reviews its confidentiality and data safeguard arrangements.

Up-to-date information on the AEOI exchanges is available at: www.oecd.org/tax/transparency/documents/aeoi-exchanges.pdf.

Jurisdictions yet to commence exchanges as committed to

As set out above, the overwhelming majority (97%) of the jurisdictions that have committed to commence exchanges under the AEOI Standard have done so. This is a huge success.

There are nevertheless some jurisdictions that were invited to commence exchanges from a certain date, either under the original commitment process (**Trinidad and Tobago**, committed to commence exchanges from 2018) or identified later through the Global Forum's jurisdictions of relevance process (**Jordan and Montenegro**, committed to commence exchanges from 2023) that have not yet delivered on the commitments made.

A fully effective AEOI Standard requires a level playing field and the Global Forum therefore continues to work closely with these jurisdictions to facilitate the delivery of their commitments.

Commitments to commence exchanges in the future

A further nine jurisdictions are committed to starting exchanges in the coming years. These are set out in Table 1.2 below.

Table 1.2. Jurisdictions committed to commencing exchanges from 2024 onwards

Year of commitment to first exchanges	Jurisdiction
2024	Georgia, Kenya, Moldova, Tunisia, Ukraine
2025	Armenia, Morocco, Rwanda, Uganda
2026	Mongolia

Note: All jurisdictions committed to commencing AEOI exchanges from 2024 onwards are developing countries that do not host a financial centre and that were not asked to commit to a specific date to exchange information, but that have done so voluntarily.

Peer reviews of the effectiveness of implementation

While the timeliness of implementation is critical, the potential benefits of the AEOI Standard will only be fully delivered if all of the requirements are implemented in a complete and effective manner. To ensure this, the Global Forum conducts peer reviews with respect to the quality of the implementation of all aspects of the AEOI Standard. Conclusions are drawn on the completeness of the domestic and international legal frameworks and on the effectiveness in practice of the domestic collection of the information and its international exchange.

Below is an analysis of the peer review results to date after which the results are set out in full.

An analysis of the peer review results to date

The results of the reviews of the AEOI legal frameworks

Chapter 3 of this report contains three new reports on the AEOI legal frameworks, for the jurisdictions that committed to commence exchanges from 2021 (Albania, Ecuador and Kazakhstan). It also contains revised reports for ten jurisdictions that underwent a reassessment as they amended their legal frameworks, including to address recommendations made. This brings the total number of jurisdictions that have brought in amendments to address recommendations made through the Global Forum peer reviews to 78, with 611 recommendations having been successfully addressed. This includes 111 Non-Reporting Financial Institutions and Excluded Accounts being removed from jurisdiction-specific lists as they were found to insufficiently meet the requirements.

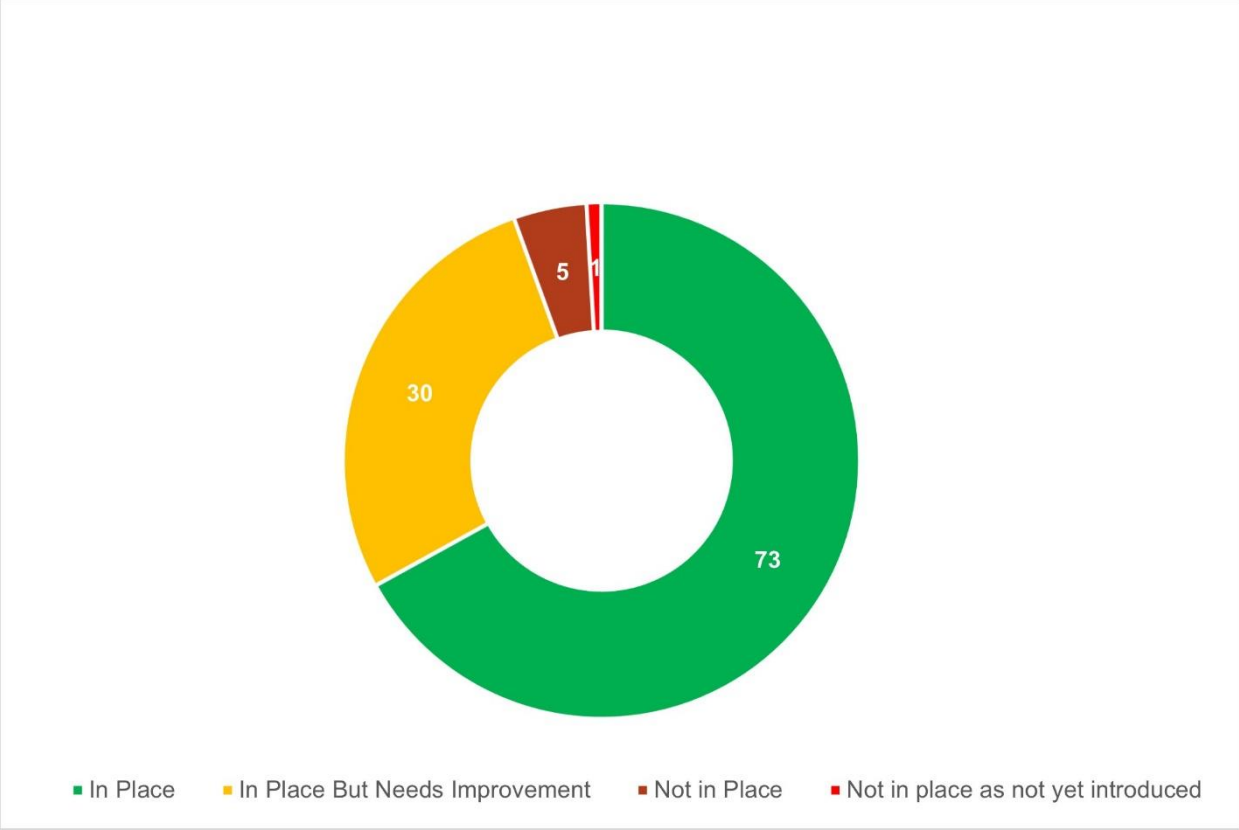
The peer review results show that there is a very high level of compliance in relation to the legal frameworks put in place to implement the AEOI Standard. Of the 109 jurisdictions committed to commencing exchanges by 2021, virtually all of them (**108, or 99%**) have an international legal framework that is fully in accordance with the AEOI Terms of Reference. The Global Forum has therefore issued them with a determination of **"In Place" for Core Requirement 2**. Furthermore, the majority of jurisdictions (**73, or 70%**) have domestic legislative frameworks that are also fully in accordance with the AEOI Terms of Reference. The Global Forum has therefore issued these jurisdictions with a determination of **"In Place" for Core Requirement 1**. **73, or 70% of jurisdictions therefore received an overall determination of "In Place"**.

By far the next largest group of jurisdictions **30 (or 28%**) are those for which the Global Forum issued a determination of "**In Place" for Core Requirement 2** and **"**In Place But **Needs Improvement" for Core Requirement 1.** Their peer review reports include one or more recommendations to amend their domestic legislative framework in order for it to be fully consistent with the AEOI Terms of Reference. Consequently, **30 (or 28%**) **jurisdictions received an overall determination of "**In Place But **Needs Improvement"**. In total, 103 (or 94%) of the jurisdictions now have domestic and international legal frameworks that are fully or substantially in place. This demonstrates a high level of compliance with the Terms of Reference.

> Following the actions taken, 94% of jurisdictions have now been determined to have domestic and international legal frameworks that are fully or substantially in accordance with the AEOI Terms of Reference

Of the remaining jurisdictions, five have implemented a domestic legislative framework which contains many of the requirements, but that include significant deficiencies. One jurisdiction (Trinidad and Tobago) has not yet implemented a domestic legal framework. Six **jurisdictions have therefore received an overall determination of "Not In Place"**. Figure 2.1 summarise the distribution of the peer review results.

Figure 1.1. Overall determinations at a glance



Common issues identified

While compliance with the requirements is generally high, there are some common issues where recommendations remain. They most commonly relate to the following:

- The largest category of remaining recommendations relate to jurisdiction-specific Non-Reporting Financial Institutions and Excluded Accounts that are not in accordance with the requirements of the AEOI Standard.
- The legal frameworks for compliance and enforcement have also been found to have issues in a number of cases. These include gap in the powers to address avoidance of the due diligence and reporting requirements, the ability to impose sanctions on Account Holders and Controlling Persons for submitting false self-certifications and having record-keeping obligations that cover the full scope of the records required to be kept under the AEOI Standard. Their significance is reflected in the fact that all of the jurisdictions with legal frameworks that have been determined to be "**Not In Place**" have multiple recommendations with respect to their legal frameworks for compliance and enforcement.
- Several more specific recommendations have also been made in cases where jurisdictions have summarised the detailed definitions in the AEOI Standard with the omission of relevant details that are needed to ensure their full and proper operation.

The Global Forum continues to work with the jurisdictions concerned to assist them in addressing the issues where recommendations have been made.

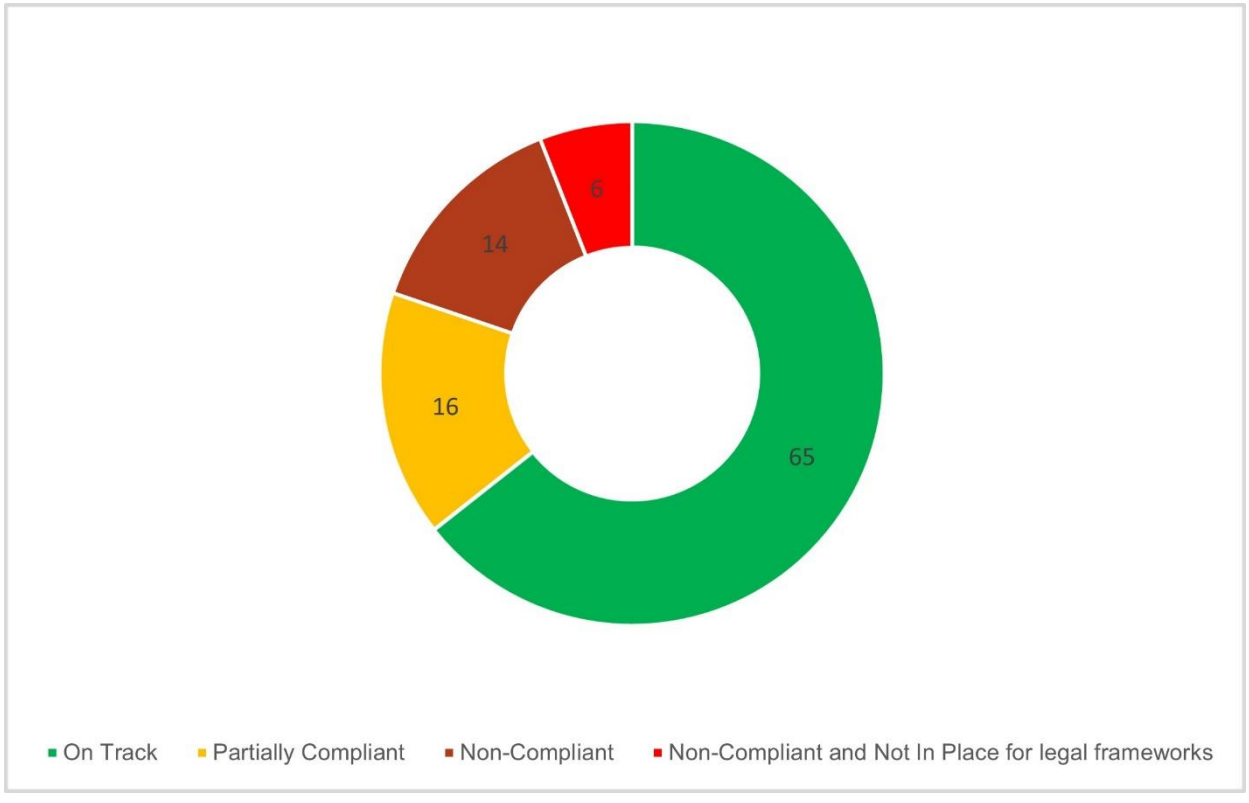
The results of the reviews of the effectiveness in practice

Chapter 3 of this report contains two new initial review reports on the effectiveness in practice of the jurisdictions that committed to commence exchanges from 2019 (Ghana and Kuwait).

Overall, the results of the initial reviews show that most jurisdictions are delivering as expected. In this regard it should be noted that the initial reviews are conducted in parallel to the implementation of the AEOI Standard by jurisdictions. Significant advancements therefore continue to be made. As of now, almost two thirds (**65, or 64%**) of the 101 jurisdictions that committed to commence exchanges in 2017, 2018 or 2019 have been rated as **"On Track"** with respect to their frameworks and activities to ensure the effectiveness of the AEOI Standard in practice. They have therefore been found to have developed complete administrative compliance frameworks to ensure that Financial Institutions effectively implement their due diligence and reporting obligations, which they are also implementing, and they are successfully conducting the exchanges in practice, addressing any issues as they emerge. A further **16 (or 16%**) jurisdictions have been found to have credible frameworks and plans in place and are generally successfully exchanging the information in accordance with the technical requirements, but need to further implement their plans. These jurisdictions have therefore been rated as **"Partially Compliant"**. It is expected that the implementation in many of these jurisdictions will generally become much more mature in the near future, based on the plans they have in place. Finally, **20 (or 20%**) jurisdictions have been found to have fundamental deficiencies in their frameworks (i.e. they are not yet fully developed) and have therefore been found to be **"Non-Compliant"**, six of which are constrained due to their lack of enforcement powers in their legislative frameworks. So, while the exchanges are taking place each year, they have not yet completed operational frameworks to verify that Financial Institutions are effectively complying with all of the due diligence and reporting requirements.

Figure 2.2 summarise the distribution of the peer review results.

Figure 1.2. Overall initial effectiveness ratings at a glance



In general, the rate of advancement and the increasing maturity in implementation continues at pace. Building on a steady improvement over the previous years, two-thirds of jurisdictions have again, over the last year, seen improvements in their ability to match the information received. This indicates an increase in the quality of the information being sent. In this regard, over the last three years, three-quarters of jurisdictions have seen improvements in the collection of Tax Identification Numbers, as well as reductions in the numbers of undocumented accounts reported. Furthermore, the rate of the collection and exchange of dates of birth is close to 100%. As regards the exchanges themselves, delays in the exchanges are relatively rare and have decreased by another quarter for the 2022 reporting period. Two-thirds of jurisdictions showed improvements in the preparation of the files, resulting in considerably fewer rejections being experienced.

Common issues identified

While around two thirds of jurisdictions assessed have been found to be "On Track" with their implementation, amongst the other jurisdictions, several common issues were identified.

The most significant issues identified relate to jurisdictions that have been delayed in putting in place a complete and credible operational plan to ensure compliance with the requirements by Financial Institutions. In many cases some activities had been conducted to ensure Financial Institutions are reporting information (e.g. by cross checking relevant lists of regulated entities), but there has been limited activities to ensure that the information being reported is complete and accurate. These jurisdictions generally understood the deficiencies identified. Furthermore, support is being given by the Global Forum Secretariat, which has developed a Model Administrative Compliance Strategy, organised knowledge-sharing events and recently released additional tools to support its bilateral technical assistance programme. It is therefore expected that these issues be successfully addressed in the near term. Jurisdictions that need to address constraints in their legal frameworks to enforce the requirements will generally take longer.

There is another group of jurisdictions that have credible plans in place but that have only very recently started implementing them. For example, the checks to ensure that the information being reported is complete and accurate is not yet very mature, such as being limited to analysing the information reported but not yet including reviewing the policies, procedures and documentation of individual Financial Institutions. These jurisdictions often already have credible plans in place, so will deepen the checks in the near future.

With respect to the exchanges in practice, the level of implementation has been very high and, where issues emerge, they are generally promptly addressed.

A summary of the peer reviews to date

Table 1.3 contains a summary of the determinations made with respect to legal frameworks introduced by each jurisdiction to implement the AEOI Standard and the ratings made following the initial review of the effectiveness of their implementation in practice. Further details on the analysis and reasons for the determinations for each jurisdiction can be found in *Peer Review of the Automatic Exchange of Financial Account Information 2022* (https://doi.org/10.1787/36e7cded-en) and in Chapter 3 of this report for assessments and reassessments completed after the publication of the 2022 report.

Table 1.3. Overview of the determinations on the legal frameworks and the ratings on effectiveness in practice for the assessed jurisdictions

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
1. Albania	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	Not yet reviewed		
2. Andorra	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
3. Anguilla	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
4. Antigua and Barbuda	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**Partially Compliant**	**Non-Compliant**
5. Argentina	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Partially Compliant**	**On Track**	**Partially Compliant**
6. Aruba	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**On Track**	**Non-Compliant**
7. Australia	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
8. Austria	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
9. Azerbaijan	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
10. Bahamas	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**On Track**	**Non-Compliant**
11. Bahrain	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
12. Barbados	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**Partially Compliant**	**On Track**
13. Belgium	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
14. Belize	**In Place**	**In Place**	**In Place**	**Non-Compliant**	**On Track**	**Non-Compliant**

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
15. Bermuda	In Place	In Place	In Place	On Track	On Track	On Track
16. Brazil	In Place	In Place	In Place	On Track	On Track	On Track
17. British Virgin Islands	In Place	In Place	In Place	Partially Compliant	On Track	Partially Compliant
18. Brunei Darussalam	In Place	In Place	In Place	Partially Compliant	On Track	Partially Compliant
19. Bulgaria	In Place	In Place	In Place	On Track	On Track	On Track
20. Canada	In Place But Needs Improvement	In Place	In Place But Needs Improvement	On Track	On Track	On Track
21. Cayman Islands	In Place	In Place	In Place	On Track	On Track	On Track
22. Chile	In Place But Needs Improvement	In Place	In Place But Needs Improvement	Non-Compliant	Partially Compliant	Non-Compliant
23. China (People's Republic of)	In Place	In Place	In Place	On Track	On Track	On Track
24. Colombia	In Place	In Place	In Place	On Track	On Track	On Track
25. Cook Islands	In Place	In Place	In Place	Non-Compliant	On Track	Non-Compliant
26. Costa Rica	Not In Place	In Place	Not In Place	Non-Compliant	Partially Compliant	Non-Compliant
27. Croatia	In Place But Needs Improvement	In Place	In Place But Needs Improvement	Non-Compliant	On Track	Non-Compliant
28. Curaçao	Not In Place	In Place	Not In Place	Non-Compliant	Partially Compliant	Non-Compliant
29. Cyprus	In Place	In Place	In Place	On Track	On Track	On Track
30. Czechia	In Place	In Place	In Place	On Track	On Track	On Track

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
31. Denmark	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
32. Dominica	**In Place**	**In Place**	**In Place**	**Non-Compliant**	**Partially Compliant**	**Non-Compliant**
33. Ecuador	**Not In Place**	**In Place**	**Not In Place**	Not yet reviewed		
34. Estonia	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Partially Compliant**	**On Track**	**Partially Compliant**
35. Faroe Islands	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
36. Finland	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
37. France	**In Place**	**In Place**	**In Place**	**On Track**	**Partially Compliant**	**On Track**
38. Germany	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
39. Ghana	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Partially Compliant**	**On Track**	**Partially Compliant**
40. Gibraltar	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
41. Greece	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
42. Greenland	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
43. Grenada	**In Place**	**In Place**	**In Place**	**Non-Compliant**	**Partially Compliant**	**Non-Compliant**
44. Guernsey	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
45. Hong Kong (China)	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
46. Hungary	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
47. Iceland	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
48. India	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
49. Indonesia	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
50. Ireland	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
51. Isle of Man	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
52. Israel	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Partially Compliant**	**On Track**	**Partially Compliant**
53. Italy	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
54. Japan	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
55. Jersey	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
56. Kazakhstan	**Not In Place**	**In Place**	**Not In Place**	Not yet reviewed		
57. Korea	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
58. Kuwait	**Not In Place**	**In Place**	**Not In Place**	**Non-Compliant**	**On Track**	**Non-Compliant**
59. Latvia	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
60. Lebanon	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
61. Liechtenstein	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
62. Lithuania	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
63. Luxembourg	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
64. Macau (China)	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
65. Malaysia	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
66. Malta	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
67. Marshall Islands	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
68. Mauritius	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
69. Mexico	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**Partially Compliant**	**Partially Compliant**
70. Monaco	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
71. Montserrat	**In Place**	**In Place**	**In Place**	**Non-Compliant**	**Non-Compliant**	**Non-Compliant**
72. Nauru	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
73. Netherlands	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
74. New Caledonia	**In Place**	**In Place**	**In Place**	Not yet reviewed		
75. New Zealand	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
76. Nigeria	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	Not yet reviewed		
77. Niue	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
78. Norway	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
79. Oman	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	Not yet reviewed		
80. Pakistan	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**Partially Compliant**	**Partially Compliant**
81. Panama	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**Partially Compliant**	**Non-Compliant**
82. Peru	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	Not yet reviewed		
83. Poland	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
84. Portugal	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
85. Qatar	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
86. Romania	**In Place**	**In Place**	**In Place**	**Partially Compliant**	**On Track**	**Partially Compliant**
87. Russia	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	No data available		
88. Saint Kitts and Nevis	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
89. Saint Lucia	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**On Track**	**On Track**	**On Track**
90. Saint Vincent and the Grenadines	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**Non-Compliant**	**Non-Compliant**
91. Samoa	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
92. San Marino	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
93. Saudi Arabia	**In Place**	**In Place**	**In Place**	**On Track**	**On Track**	**On Track**
94. Seychelles	In Place But **Needs Improvement**	**In Place**	In Place But **Needs Improvement**	**Non-Compliant**	**Non-Compliant**	**Non-Compliant**

Jurisdiction	Review of the AEOI legal frameworks			Initial review of effectiveness in practice of AEOI		
	Core Requirement 1 (domestic legal framework)	Core Requirement 2 (international legal framework)	Overall determination	Core Requirement 1 (domestic information collection and reporting)	Core Requirement 2 (international information exchange)	Overall rating
95. Singapore	In Place	In Place	In Place	On Track	On Track	On Track
96. Sint Maarten	In Place But Needs Improvement	In Place	In Place But Needs Improvement	Non-Compliant	Non-Compliant	Non-Compliant
97. Slovak Republic	In Place	In Place	In Place	On Track	On Track	On Track
98. Slovenia	In Place	In Place	In Place	On Track	On Track	On Track
99. South Africa	In Place	In Place	In Place	Partially Compliant	On Track	Partially Compliant
100. Spain	In Place	In Place	In Place	On Track	On Track	On Track
101. Sweden	In Place	In Place	In Place	On Track	On Track	On Track
102. Switzerland	In Place But Needs Improvement	In Place	In Place But Needs Improvement	On Track	On Track	On Track
103. Trinidad and Tobago	Not In Place	Not In Place	Not In Place	Non-Compliant	Non-Compliant	Non-Compliant
104. Türkiye	In Place	In Place	In Place	Partially Compliant	Partially Compliant	Partially Compliant
105. Turks and Caicos Islands	In Place But Needs Improvement	In Place	In Place But Needs Improvement	Non-Compliant	On Track	Non-Compliant
106. United Arab Emirates	In Place	In Place	In Place	On Track	On Track	On Track
107. United Kingdom	In Place	In Place	In Place	On Track	On Track	On Track
108. Uruguay	In Place	In Place	In Place	On Track	On Track	On Track
109. Vanuatu	In Place	In Place	In Place	Non-Compliant	On Track	Non-Compliant

The second round of AEOI effectiveness reviews

With the completion of the initial peer reviews of the effectiveness of the implementation of the AEOI Standard for the first 99 jurisdictions, the Global Forum put in place a framework to carry out a second round of AEOI effectiveness reviews. Further details of the framework can be found in Chapter 2. The results are due to be published in 2025.

2 The methodologies for the Global Forum's AEOI peer reviews

This chapter provides an overview of the methodologies used for the Global Forum's peer reviews, including explanations for the determinations in relation to the legal frameworks for AEOI and the ratings of the effectiveness in practice.

In order to ensure that the implementation of the AEOI Standard is both complete and effective, the Global Forum conducts peer reviews in relation to all of the key areas of the AEOI Standard. These are conducted in accordance with the agreed Terms of Reference for the AEOI reviews, which are contained in Annex B of this report. As set out therein, the Terms of Reference comprise of Core Requirement 1 in relation to the domestic collection of the information, Core Requirement 2 in relation to the international exchange of the information and Core Requirement 3 in relation to confidentiality and data safeguards.

Global Forum AEOI peer reviews: covering all relevant areas

Properly implementing the AEOI Standard requires various legal, technical and operational aspects to be put in place and for them to operate effectively in practice. The Global Forum has therefore designed and conducted a range of peer review processes specifically suited to assess each area of the requirements. The processes are as follows:

- **Reviews of the domestic and international legal frameworks in place**: The AEOI Standard requires complete domestic and international legal frameworks to be in place. Domestically, Financial Institutions must be required to conduct the prescribed due diligence procedures and report the specified information. Internationally, jurisdictions must have a legal basis in place to exchange the information, in the required manner, with all of their Interested Appropriate Partners. The Global Forum conducts peer reviews of the domestic and international legal frameworks in place to ensure they are complete and provide a sound basis for the effective operation of the AEOI Standard.
- **Reviews of the effectiveness of the implementation of the AEOI Standard in practice**: In addition to having complete legal frameworks, jurisdictions must ensure that they operate effectively in practice. The Global Forum therefore also reviews each jurisdiction's implementation of the AEOI Standard in practice, including the administrative frameworks in place and activities undertaken to ensure compliance by Financial Institutions and the functioning of the exchanges in practice. These reviews are done in two stages: (i) initial desk-based reviews of effectiveness in practice to assess whether jurisdictions are "On Track"; and in-depth reviews of effectiveness that include an on-site visit to obtain a deeper level of assurance.
- **Assessments of confidentiality and data safeguards frameworks**: The information exchanged, which includes sensitive information identifying taxpayers and their international investments, must be properly safeguarded and used only for the purpose for which it was exchanged (or subsequently authorised). The Global Forum therefore conducts reviews of the legal and operational arrangements jurisdictions have in place to safeguard data before they can receive information through AEOI exchanges. Assistance is given where needed. The Global Forum again reviews the arrangements in place once exchanges are underway, to ensure the requirements are met on an ongoing basis. This Global Forum process includes a mechanism to react to breaches of confidentiality or the safeguarding of data. Due to their confidential nature, the results of these assessments are not published.

Further details in relation to the assessments and work of the Global Forum with respect to confidentiality and data safeguards can be found in the *Terms of Reference for the Confidentiality and Data Safeguards Assessments*[1] and the *Confidentiality and Information Security Management Toolkit*.[2] With respect to the other reviews, further details on their scope and the process can be found below.

Peer reviews of the AEOI legal frameworks

A key early step in the implementation process is putting in place complete domestic and international legal frameworks, in accordance with the AEOI Standard and the commitments made. The Global Forum reviews the frameworks once they are put in place to allow any issues to be identified early so they can be promptly addressed.

The requirements

The AEOI Terms of Reference group the requirements with respect to the legal frameworks into two Core Requirements. These are set out below:

- **Core Requirement 1**: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.
- **Core Requirement 2**: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Each Core Requirement is split into detailed Sub-Requirements, which are contained in Annex B.

How the requirements are reviewed

For each of the review processes in relation to the AEOI legal frameworks, the following steps are conducted:

- The Global Forum Secretariat conducts an initial in-depth analysis of the legal texts and drafts proposed recommendations where issues are identified.
- The analysis and draft recommendations are sent to all AEOI Peers[3] for input, which is incorporated as appropriate.
- The analysis and proposed recommendations are sent to the AEOI Peer Review Group (APRG)[4] for approval.
- The approved analysis and recommendations are submitted to all AEOI Peers for adoption.

What is reviewed in relation to Core Requirement 1

Core Requirement 1 in the AEOI Terms of Reference refers to the detailed due diligence and reporting procedures that Financial Institutions must follow. These are standardised procedures to ensure that Financial Institutions report the correct information on Financial Accounts and their Account Holders to the tax authority in a uniform manner. It is therefore crucial that each jurisdiction properly reflects these requirements in its domestic legislative framework. The specific elements reviewed are as follows:

- **The due diligence and reporting rules**: This involves a review of how each jurisdiction has: (i) defined the scope of Reporting Financial Institutions, (ii) defined the scope of the Financial Accounts that must be reviewed, (iii) implemented the detailed due diligence procedures that must be applied to identify Reportable Accounts, and (iv) defined the information that must be reported. If a jurisdiction relies on non-AEOI legislation that defines “beneficial owners” in order to identify Controlling Persons with respect to the AEOI Standard, this legislation is also reviewed.
- **Jurisdiction-specific Non-Reporting Financial Institutions and Excluded Accounts**: This consists of a specific review of each entry to ensure that the Non-Reporting Financial Institutions and Excluded Accounts provided for by each jurisdiction meet the requirements of the AEOI Standard and pose a low-risk of use for tax evasion purposes.

- **The framework to enforce the requirements**: This includes, amongst other aspects, a review of the provisions that jurisdictions have in place to: (i) prevent the circumvention of the AEOI Standard, (ii) require Reporting Financial Institutions to maintain appropriate records; and (iii) enforce the requirements and address non-compliance. Where the provisions relied upon are included in non-AEOI legal frameworks, these provisions are also reviewed, to the extent they are relevant for the implementation of the requirements of the AEOI Standard.

Where gaps are identified, recommendations are made.

What is reviewed in relation to Core Requirement 2

Core Requirement 2 in the AEOI Terms of Reference contains requirements with respect to both the contents of the international agreements used to exchange the information and the scope of the networks of exchange relationships. These requirements are therefore also essential to ensure the effective operation of the AEOI Standard, based on a level playing field. The particular processes conducted are as follows:

- **The contents of the exchange agreements**: The contents of the exchange agreements put in place are reviewed to ensure their provisions are in accordance with the requirements. This includes the international agreement that provides the legal basis for the exchange and the administrative agreement containing the detailed specificities.
- **Ensuring exchange networks are complete**: It is ensured that each jurisdiction's exchange network includes all of its Interested Appropriate Partners (i.e. the jurisdictions interested in receiving information from a jurisdiction and that meet the expected standards in relation to confidentiality and data safeguards). The process includes facilitating jurisdictions in putting agreements in place, which can be escalated into a peer review mechanism that jurisdictions can trigger if they become concerned about delays with respect to the putting in place of an agreement with a particular partner.

Again, where gaps are identified, recommendations are made.

Drawing conclusions and issuing determinations on the completeness of the AEOI legal frameworks

The determinations on the AEOI legal frameworks are made with respect to each Core Requirement and overall. They are either: "**In Place**", "In Place But **Needs Improvement**" or "**Not In Place**", with the determination for each Core Requirement and the overall determination taking into account all relevant factors (i.e. it is not a mechanical exercise). Further details on how to interpret each of these determinations, along with an indication of the relevant considerations, are set out in Table 2.1 below.

Table 2.1. The determinations made in relation to the AEOI legal frameworks

Determination	Description
In Place	A jurisdiction's legal framework is determined as being "**In Place**" where the review of its legal framework does not identify any gaps that need to be addressed in order for the legal framework to be in accordance with the AEOI Terms of Reference. This is the case where the peer review processes have not resulted in any recommendations. It is possible, although unusual, for a legal framework to be determined to be In Place even where there is a recommendation. This is only the case where the gap is viewed as so minor that it would have a highly limited impact on the operation of the AEOI Standard.
In Place But **Needs Improvement**	A jurisdiction's legal framework is determined as being "In Place But **Needs Improvement**" where the review of its legal framework concludes that the legal framework is in place but certain aspects need improvement in order for it to be fully in accordance with the AEOI Terms of Reference.

Determination	Description
	This is the case where the peer review processes have identified one or more deficiencies material to the proper functioning of elements of the AEOI Standard. The determination of In Place But Needs Improvement is therefore a broad category. It includes jurisdictions with one recommendation, as well as jurisdictions with multiple recommendations. In all cases, the deficiencies are viewed collectively as material to the proper functioning of certain elements of the AEOI Standard, but not to its overall operation.
Not In Place	A jurisdiction's legal framework is determined as being "**Not In Place**" where the review of its legal framework shows that the legal framework needs to be significantly improved in order to be in accordance with the AEOI Terms of Reference. At the extreme, this is the case where a jurisdiction has not implemented the relevant legal framework. More commonly, this is where the peer review processes have resulted in recommendations viewed collectively as having a material impact on the overall operation of the AEOI Standard. It is important to note, aside from the jurisdictions that have not implemented a legal framework, a determination of Not In Place does not mean that a jurisdiction's legal framework is not in effect. In fact, several aspects of that legal framework are likely to be in place as required. The determination instead means that the impact of the deficiencies found are viewed as creating a material risk to the overall proper functioning of the AEOI Standard (e.g. a jurisdiction's legal framework to enforce the due diligence requirements is substantively incomplete).

Peer reviews of the effectiveness in practice of AEOI implementation

Having complete legal frameworks is not sufficient to ensure that the AEOI Standard is effective and delivers the potential benefits it has to offer. It must also be ensured that the requirements are being implemented effectively in practice. The Global Forum therefore carries out peer reviews to assess the effectiveness in practice of each jurisdiction's implementation of the AEOI Standard.

The peer reviews in relation to the effectiveness in practice of the implementation of the AEOI Standard are carried out in two stages. Firstly, there in an initial assessment to verify whether the jurisdiction is "On Track" and, secondly, there is an in-depth review in order to obtain a deeper level of assurance.

The requirements

Similarly to the legal frameworks, the AEOI Terms of Reference group the requirements with respect to effectiveness in practice into the same two Core Requirements. The requirements are the same for the initial and in-depth reviews. These are set out below:

- **Core Requirement 1**: Jurisdictions should have an administrative framework to ensure the effective implementation of the CRS and ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures in the CRS.
- **Core Requirement 2**: Jurisdictions should exchange the information effectively in practice, in a timely manner, including by sorting, preparing, validating and transmitting the information in accordance with the AEOI Standard.

Each Core Requirement is again split into detailed Sub-Requirements, as set out in Annex B.

How the requirements are reviewed during the initial reviews

For the initial reviews of effectiveness in practice (the first round of AEOI effectiveness reviews), the following procedures are carried out:

- Each jurisdiction provides a detailed description of the operational compliance frameworks they have implemented to ensure the effective implementation of the AEOI Standard by Financial

Institutions, including information on the strategy adopted and details of the compliance activities completed, the outcomes achieved as well as any follow-up actions undertaken.

- All AEOI Peers are invited to provide input in relation to their experiences of the exchanges in practice with each of their exchange partners, including the timeliness and technical aspects, as well as any issues experienced when trying to utilise the information received. Input is also provided on the level of co-operation experienced with each exchange partner when looking to address any such issues that arise.
- Expert assessors from AEOI Peers, supported by the Global Forum Secretariat, conduct a desk-based review to analyse the information provided and other relevant information and follow up with each jurisdiction and its exchange partners with respect to any omissions or uncertainties. Once a clear view of the situation is established, the analysis is finalised and a short report is prepared on the jurisdiction being reviewed.
- The reports are provided to each jurisdiction for comment before they are submitted to the APRG for discussion and approval. They are then sent to all AEOI Peers for adoption, prior to their publication.

Statistics in relation to the operational activities to ensure compliance domestically and in relation to the various aspects of the exchanges in practice play an important role in the assessment, including through benchmarking certain key areas across all jurisdictions. In this regard, it should be noted that the statistics used are based on the disclosure and interpretation of each jurisdiction. Therefore, especially with respect to certain aspects of the domestic compliance frameworks, the statistics are shaped by the framework implemented by individual jurisdictions and may therefore not always be directly comparable. They are nevertheless useful indicators when considered alongside the other information available and have been collected annually from 2021.

How the requirements are reviewed during the in-depth reviews

For the in-depth reviews of effectiveness in practice under the second round of AEOI effectiveness reviews, the procedures are as above, aside from the following additions:

- With respect to Core Requirement 1, Assessment Teams consisting of two expert assessors from AEOI Peers, supported by the Global Forum Secretariat, review and analyse the information provided and other relevant information and conduct onsite visits where all key governmental and private sector stakeholders are met and interviewed. Once a clear view of the situation is established, the analysis is finalised and a short report is prepared on the jurisdiction being reviewed, which is provided to the jurisdiction for comment.
- With respect to Core Requirement 2, all AEOI Peers are invited to provide input on an annual basis, over a three-year period, in relation to their experiences of the exchanges in practice and covering the same areas as during the initial reviews. The Assessment Teams analyse the information received and decide which issues to follow-up on. There is engagement with the jurisdictions and their exchange partners to understand the situation and a horizontal report is prepared each year.
- All of the reports are submitted to the APRG for discussion and approval. At the end of the three-year schedule, the analysis is updated and the reports with respect to Core Requirements 1 and 2 are brought together. Consolidated reports are then prepared and submitted to the APRG for approval. The reports are then sent to all AEOI Peers for adoption, prior to publication.

What is reviewed in relation to Core Requirement 1

The AEOI Terms of Reference refer to jurisdictions ensuring that, in practice, Reporting Financial Institutions are effectively implementing the detailed due diligence and reporting procedures specified in the AEOI Standard. Various specific elements in relation to the required framework are set out, such as

various components of the administrative compliance framework that must be put in place, some of which are referred to below.

- **Having an effective administrative framework to ensure compliance**: Various components of each jurisdiction's compliance framework are assessed in detail. Including their implementation in practice. Each jurisdiction is therefore asked for details of, amongst other things: (i) the compliance strategy it has in place, including whether it is based on a risk assessment specific to their jurisdiction and that takes into account a range of relevant information sources, (ii) the procedures the jurisdiction has implemented and the actions taken to ensure that Reporting Financial Institutions are reporting information as required, including to identify incorrect non-reporting and to follow-up to ensure compliance, (iii) the verification procedures implemented in practice and the actions taken to ensure that the information being reported is complete and accurate, including analysis of the information reported and details of the desk-based and onsite reviews conducted, and (iv) the enforcement activities carried out, including the application of penalties as appropriate and their impact. Each jurisdiction's exchange partners are also asked for any issues with respect to compliance by Financial Institutions that they might have identified when using the data received.
- **International collaboration to ensure effectiveness**: There are provisions in the AEOI Standard for collaboration between exchange partners to address errors or non-compliance by Reporting Financial Institutions identified by exchange partners. Feedback is therefore also obtained from each jurisdiction's exchange partners on how effective the cooperation has been in practice.

Where deficiencies or areas for improvement are identified, then recommendations are made.

What is reviewed in relation to Core Requirement 2

The AEOI Terms of Reference also contain requirements in relation to the processing of the information reported by Reporting Financial Institutions and its subsequent transmission to exchange partners. Some of the key elements are below.

- **Preparing and validating the information**: Once reported by Reporting Financial Institutions, the information must be sorted, prepared and validated in accordance with the technical requirements set out in the AEOI Standard (e.g. the Common Reporting Standard User Guide and XML Schema). Each jurisdiction's exchange partners are therefore asked about any errors that might have been experienced when trying to utilise the information received. The cause of the issues is identified, including to establish whether there are deficiencies in the jurisdiction's systems to process and send the information reported.
- **Using secure channels to exchange the information**: It is of vital importance that the information is kept safe while it is being transmitted. This is ensured through the use of the CTS which utilises industry leading security standards and which is used by all jurisdictions. This requirement has therefore always been found to be met in practice.
- **Timeliness in the exchanges and follow-up**: The timeliness of the exchanges is also reviewed, including the timeliness of any response to follow-up from a jurisdictions' partners and the provision of additional or amended information as necessary. Again, feedback on these issues is obtained from each jurisdiction's exchange partners.

Where deficiencies or areas for improvement are identified, then recommendations are made.

Drawing conclusions and issuing ratings on the effectiveness of the implementation of AEOI in practice

Ratings issued during the initial reviews

The ratings issued following the initial reviews of the effectiveness in practice of AEOI implementation (the first round of AEOI effectiveness reviews) are also made with respect to each Core Requirement and overall. They are either: "**On Track**", "**Partially Compliant**" or "**Non-Compliant**", with the rating for each Core Requirement and the overall rating taking into account all relevant factors (i.e. it is not a mechanical exercise). The terminology for the ratings reflects the fact that these are initial reviews and that the frameworks to ensure effectiveness in practice are not yet fully mature. For these reasons the effectiveness ratings are issued separately to the determinations with respect to the AEOI legal frameworks (which are relatively mature), although legal gaps with a direct influence on the framework to ensure the effective implementation of the requirements by Financial Institutions are taken into account in the initial reviews of effectiveness. Further details on how to interpret each of these ratings, along with an indication of the relevant considerations, are set out in Table 2.2 below.

Table 2.2. The ratings issued during the initial reviews of the effectiveness in practice of AEOI

Rating	Description
On Track	The effectiveness in practice of jurisdiction's implementation of the AEOI Standard is rated as "**On Track**" where the initial review of its implementation in practice establishes that: (i) the jurisdiction has developed and commenced implementing a complete administrative compliance framework to ensure that Financial Institutions effectively implement their due diligence and reporting obligations and there is an absence of evidence to suggest that it will not be effective in practice, and (ii) the exchanges successfully take place in accordance with the technical requirements and on time, or where issues arise then they are addressed in a timely manner. Given that this rating framework is used for the initial reviews in relation to the effectiveness of operational frameworks that are not yet fully mature, the On Track category is broad. In general, it is given where the review has not identified issues significant to the proper functioning of a Core Requirement or the AEOI Standard, taking into account the general maturity of implementation. The review might nevertheless have identified areas for improvement, beyond simply continuing to implement the framework as envisaged, in which case recommendations for improvement are made.
Partially Compliant	The effectiveness in practice of jurisdiction's implementation of the AEOI Standard in practice is rated as "**Partially Compliant**" where the initial review of its implementation in practice establishes that: (i) the jurisdiction has developed a complete administrative compliance framework to ensure that Financial Institutions effectively implement their due diligence and reporting obligations, although it has not yet begun to fully implement it, and/or (ii) the exchanges are generally taking place successfully, but significant issues have arisen that are often not been addressed in a timely manner. In such cases the assessment has found deficiencies that are significant to the proper functioning of a Core Requirement of the AEOI Standard as a whole.
Non-Compliant	The effectiveness in practice of jurisdiction's implementation of the AEOI Standard in practice is rated as "**Non-Compliant**" where the initial review of its implementation in practice establishes that: (i) the jurisdiction has not yet developed a complete administrative compliance framework to ensure that Financial Institutions effectively implement their due diligence and reporting obligations, and/or (ii) the exchanges are generally not taking place successfully and fundamental issues have arisen that are often not been addressed in a timely manner. In such cases the assessment has found deficiencies that are fundamental to the proper functioning of a Core Requirement of the AEOI Standard as a whole. In this regard, the effectiveness rating takes into account fundamental deficiencies in a jurisdiction's legal framework for AEOI (e.g. jurisdictions with a legal determination of Not In Place), that will likely result in there being fundamental deficiencies in practice. This could be the case where a jurisdiction has not implemented a legal framework or where it has gaps in key areas relating to the enforcement of the requirements.

Ratings issued during the in-depth reviews

The first tranche of in-depth reviews under the second round of AEOI effectiveness reviews is currently underway and is due to be finalised in 2025. Under the in-depth reviews, effectiveness ratings are given that take into account and incorporate the determinations on the AEOI legal frameworks. Furthermore, a four-tier rating system will be used, mirroring the approach used for the Exchange of Information on Request (EOIR). The ratings used will therefore be: "**Compliant**", "**Largely Compliant**", "**Partially Compliant**" or "**Non-Compliant**". These reflects the greater maturity in the implementation of the AEOI Standard.

Notes

[1] *Terms of Reference for the Confidentiality and Data Safeguards Assessments,* www.oecd.org/tax/transparency/documents/confidentiality-data-safeguards-assessments-tor.pdf

[2] OECD (2020), *Confidentiality and Information Security Management Toolkit,* Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD, Paris, www.oecd.org/tax/transparency/documents/confidentiality-ism-toolkit_en.pdf.

[3] All jurisdictions committed to implementing the AEOI Standard and that have passed domestic legislation to that effect.

[3] A peer review group of the Global Forum consisting of 33 members which replaced the former AEOI Group (www.oecd.org/tax/transparency/who-we-are/structure/).

3 Jurisdiction-specific reports

Albania

Overall findings

Albania's legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While Albania's international legal framework to exchange the information with all of Albania's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of elements of the AEOI Standard. More specifically, the deficiencies relate to defining certain Entities subject to due diligence and the enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place **But Needs Improvement**

Conclusions on the legal framework

General context

Albania commenced exchanges under the AEOI Standard in 2020.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Albania:

- enacted Law No. 4/2020 "For Automatic Exchange of Financial Accounts Information" as approved on 30.01.2020 and amended as approved on 29.07.2020; and
- introduced Decision No. 613, Dated 29.7.2020 on the implementing provisions of Law No. 4/2020, "On Automatic Exchange of Financial Account Information".

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2019. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete due diligence procedures on High Value Individual Accounts by 31 December 2019 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2020.

With respect to the exchange of information under the AEOI Standard, Albania is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2020.

Detailed findings

The detailed findings for Albania are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Overall determination on the legal framework: In Place **But Needs Improvement**

Albania's domestic legislative framework is in place and contains most of the key aspects of CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the due diligence procedures to be applied (SR 1.2) and the framework to enforce the requirements (SR 1.4). More specifically, Albania's domestic legislative framework does not define the term Passive NFE in accordance with the requirements and does not include rules to prevent circumvention of due diligence and reporting obligations.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Albania has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Albania has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, Albania's legislative framework does not define the term Passive NFE in line with the AEOI Standard. This element of the due diligence procedures is material to the proper functioning of the AEOI Standard.

Recommendations:

Albania should amend its domestic legislative framework to ensure that the definition of Passive NFE incorporates certain Investment Entities located in a Nonparticipating Jurisdictions, as required by the AEOI Standard.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Albania has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Albania has a legislative framework in place to enforce the requirements in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, Albania's legislative framework does not include rules to prevent all Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures as required.

This is a key element of the required enforcement framework and is therefore material to the proper functioning of the AEOI Standard

Recommendations:

Albania should amend its domestic legislative framework to include rules to prevent all Financial Institutions, persons and intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures, rather than just those on whom the AEOI Standard imposes an obligation.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Albania's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Albania's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Albania and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Albania has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Albania put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Albania's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Aruba

Overall findings

Aruba's legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While Aruba's international legal framework to exchange the information with all of Aruba's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of elements of the AEOI Standard. Most significantly, Aruba's legislative framework does not set out some of the key due diligence timelines, does not properly identify all of the relevant Financial Institutions and lacks sanctions under its enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place **But Needs Improvement**

Conclusions on the legal framework

General context

Aruba commenced exchanges under the AEOI Standard on a non-reciprocal basis in 2018 (i.e. it sends but does not receive information).

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Aruba:

- enacted Ordinance No. 74 of 2017, amended with effect from 1 July 2023;
- introduced State Decree No. 76 of 2017;
- issued further guidance, which is not legally binding; and
- relies on its legal framework implementing the FATF Recommendations for the purposes of the identification of Controlling Persons under the AEOI Standard.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, the non-binding guidance states that the review of High Value Individual Accounts should be completed in time for the 2018 reporting deadline and by 31 December 2018 in the cases of Lower Value Individual Accounts and Entity Accounts.

Following the initial Global Forum peer review, Aruba amended its legislative framework to address issues identified, the last of which was effective from 1 July 2023.

With respect to the exchange of information under the AEOI Standard, Aruba has the Convention on Mutual Administrative Assistance in Tax Matters in place[1] and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Aruba are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place **But Needs Improvement**

Aruba's domestic legislative framework is in place and contains most of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the scope of Reporting Financial Institutions required to report information (SR 1.1) and the scope of Financial Accounts required to be reported and the due diligence procedures to be applied (SR 1.2). Most significantly, the due diligence provisions in Aruba's legislative framework do not include some key dates determining the application of the due diligence obligations and the procedures and evidence that may be relied upon for the determination of the status of Financial Institutions depart from those set out in the AEOI Standard.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Aruba has defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is largely consistent with the AEOI Standard and its Commentary. However, deficiencies have been identified. More specifically, Aruba's legislative framework:

- classifies certain entities as Non-Reporting Financial Institutions that are not in accordance with the requirements set out in the AEOI Standard; and
- does not specify the date as of when Qualified Credit Card Issuers that are treated as Non-Reporting Financial Institutions are required to implement policies requiring the returning of overpayments made.

The scope of Reporting Financial Institutions, including the specification of Non-Reporting Financial Institutions, is material to the proper functioning of the AEOI Standard.

Recommendations:

Aruba should amend its domestic legislative framework to remove the classification of: (i) entities with shareholders, participants or controlling persons from one single family or a very limited group; and (ii) Trust Office Foundation (or STAK) as Non-Financial Entities without regard to the requirements to be classified as such.

Aruba should amend its domestic legislative framework to require Qualified Credit Card Issuers to implement policies with respect to the returning of overpayments from a specified date in order to be treated as Non-Reporting Financial Institutions.

Aruba should amend its domestic legislative framework to remove two entries from its jurisdiction-specific list of Non-Reporting Financial Institutions as they do not meet the requirements with respect to legally defined thresholds on contributions and limited options of withdrawal. The entries are: (i) Cooperative Savings and Credit Associations; and (ii) Customs and Savings and Credit Associations.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Aruba has not defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and has not incorporated the due diligence procedures that must be applied to identify them in a manner that is consistent with the AEOI Standard and its Commentary as significant deficiencies have been identified. More specifically, Aruba's legislative framework:

- does not specify the date as of when the Qualified Credit Card Issuers need to implement policies for the returning of overpayments, which is required for Depository Accounts due to not-returned overpayments to be treated as Excluded Accounts;
- does not follow the conditions set out in the AEOI Standard for when Reporting Financial Institutions can use existing classifications as Documentary Evidence with respect to Preexisting Entity Accounts;
- does not specify the date on which a Preexisting Entity Account is first to be identified; and
- does not specify the dates by when the due diligence procedures on High and Lower Value Preexisting Individual Accounts as well as Preexisting Entity Accounts are to be completed; the non-binding guidance indicates that these procedures should be completed in time for 2018 reporting deadline in the case of High Value Individual Accounts and by 31 December 2018 in the cases of Lower Value Individual Accounts and Entity Accounts.

The scope of Financial Accounts and the due diligence procedures to identify them are material to the proper functioning of the AEOI Standard.

Recommendations:

Aruba should amend its domestic legislative framework to require Qualified Credit Card Issuers to implement policies with respect to the returning of overpayments from a specified date in order for Depository Accounts due to not-returned overpayments to be treated as Excluded Accounts.

Aruba should amend its domestic legislative framework to require Reporting Financial Institutions to only use Documentary Evidence in relation to the due diligence procedures for Preexisting Entity Accounts in accordance with the conditions in the AEOI Standard.

Aruba should amend its domestic legislative framework to specify the date on which a Preexisting Entity Account is first to be identified using the USD 250 000 balance or value threshold.

Aruba should amend its legislative framework to specify the completion dates for the reviews of: (i) Preexisting High Value Individual Accounts; (ii) Preexisting Lower Value Individual Accounts; and (iii) Preexisting Entity Accounts.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Aruba has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary. While a deficiency has been identified with respect to the reporting of the currency denomination, it is considered to be relatively minor as the CRS XML Schema will compel the reporting of a currency type.

Recommendations:

Aruba should amend its domestic legislative framework to require Reporting Financial Institutions to identify the currency in which each account is denominated.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Aruba has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Aruba's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Aruba's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Aruba and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Aruba has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Aruba put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Aruba's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Azerbaijan

Overall findings

Azerbaijan's legal framework implementing the AEOI Standard is in place but needs improvement in order to be consistent with the requirements of the AEOI Terms of Reference. While Azerbaijan's international legal framework to exchange the information with all of Azerbaijan's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of the AEOI Standard. More specifically, a deficiency has been identified with respect to Azerbaijan's enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place **But Needs Improvement**

Conclusions on the legal framework

General context

Azerbaijan commenced exchanges under the AEOI Standard in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Azerbaijan:

- enacted Limits and Regulations for provision of information on financial transactions carried out by legal entities and individuals of foreign states in the territory of Azerbaijan to the competent authorities of those countries approved by the Cabinet of Ministers in the decision No. 211 as amended on 22 June, 2018, 15 September, 2021 and 31 January 2023; and
- made reference to the Law of the Republic of Azerbaijan on the Prevention of the Legalisation of Criminally Obtained Funds or Other Property and the Financing of Terrorism (AML law), for the purposes of the identification of Controlling Persons under the AEOI Standard.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 July 2017. Reporting Financial Institutions were required to complete the due diligence procedures on all Preexisting Accounts by 30 June 2018.

Following the initial Global Forum peer review, Azerbaijan amended its legislative framework to address issues identified, the last of which was effective from 31 January 2023.

With respect to the exchange of information under the AEOI Standard, Azerbaijan is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Azerbaijan are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place But **Needs Improvement**

Azerbaijan's domestic legislative framework is in place and contains many of the key aspects of the CRS and the Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the framework to enforce the requirements (SR 1.4). More specifically, Azerbaijan's legislative framework does not impose sanctions on Account Holders and Controlling Persons for providing a false self-certification.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Azerbaijan has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Azerbaijan has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Azerbaijan has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Azerbaijan has a legislative framework in place to enforce the requirements in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, Azerbaijan's legislative framework does not impose sanctions on Account Holders and Controlling Persons for the provision of a false self-certification. This is a key element of the required enforcement framework and is therefore material to the proper functioning of the AEOI Standard.

Recommendations:

Azerbaijan should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Azerbaijan's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Azerbaijan's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Azerbaijan and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Azerbaijan has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Azerbaijan put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Azerbaijan's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Belgium

Overall findings

Belgium's legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes Belgium's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of Belgium's Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place

Conclusions on the legal framework

General context

Belgium commenced exchanges under the AEOI Standard in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Belgium:

- enacted "Loi du 16 décembre 2015 réglant la communication des renseignements relatifs aux comptes financiers, par les institutions financières belges et le SPF Finances, dans le cadre d'un échange automatique de renseignements au niveau international et à des fins fiscales", amended in 2017 and further amended in 2022; and
- issued further guidance, which is legally binding.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2016. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2016 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2017.

Following the initial Global Forum review, Belgium made various amendments to its legislative framework to address issues identified, the last of which was effective from 10 December 2022.

With respect to the exchange of information under the AEOI Standard, Belgium:

- is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018;
- has in place European Directive 2011/16/EU on Administrative Co-operation in the Field of Taxation as amended by Directive 2014/107/EU; and
- has in place agreements with five European third countries.[2]

Detailed findings

The detailed findings for Belgium are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place

Belgium's domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Belgium has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Belgium has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Belgium has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Belgium has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA

Determination: In Place

Belgium's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Belgium's Interested Appropriate Partners

(i.e. all jurisdictions that are interested in receiving information from Belgium and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Belgium has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Belgium put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Belgium's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Belize

Overall findings

AEOI legal framework

Belize's legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes Belize's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of Belize's Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place

Conclusions on the legal framework

General context

Belize commenced exchanges under the AEOI Standard on a non-reciprocal basis in 2018 (i.e. it sends but does not receive information).

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Belize:

- enacted the Mutual Administrative Assistance in Tax Matters Act, which was amended in 2022; and
- introduced the Mutual Administrative Assistance in Tax Matters (Automatic Exchange of Financial Account Information) Regulations, Statutory Instrument No 52 of 2017, which was amended in 2022.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2017 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2018.

Following the initial Global Forum peer review, Belize amended its legislative framework to address issues identified, the last of which was effective from 9 September 2022.

With respect to the exchange of information under the AEOI Standard, Belize is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Belize are below, organised per Core Requirement (CR) and sub-requirement (SR),) as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place

Belize's domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Belize has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Belize has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Belize has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Belize has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Belize's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Belize's Interested Appropriate Partners

(i.e. all jurisdictions that are interested in receiving information from Belize and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Belize has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Belize put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.4

Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Belize's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Costa Rica

Overall findings

Costa Rica's legal framework implementing the AEOI Standard is not in place in accordance with the requirements of the AEOI Terms of Reference. While Costa Rica's international legal framework to exchange the information with all of Costa Rica's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has significant deficiencies in areas that are fundamental to the proper functioning of the AEOI Standard. More specifically, deficiencies have been identified with respect to Costa Rica's enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: Not In Place

Conclusions on the legal framework

General context

Costa Rica commenced exchanges under the AEOI Standard in 2018 on a non-reciprocal basis, then in 2020 started to reciprocally exchange information. As a preventive action to address the cyber-attack on the Ministry of Finance occurred in mid-April 2022, Costa Rica requested to be temporarily included on the list of non-reciprocal jurisdictions in order to send but not to receive information. Costa Rica reverted to reciprocal exchange in 2023.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Costa Rica:

- enacted Article 106 quárter of the General Tax Code Law No. 4755; and
- introduced the Resolution No. DGT-R-006-2017, Resolution No. DGT-R-006-2018, Resolution No. DGT-R-16-2020, Resolution No. DGT-R-27-2021 and Resolution Nº DGT-R-23-2022.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts and on Lower Value Individual Accounts and Entity Accounts by 31 December 2017.

Following the initial Global Forum review, Costa Rica amended its legislative framework to address issues identified, the last of which was effective from 24 August 2022.

With respect to the exchange of information under the AEOI Standard, Costa Rica is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Costa Rica are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: Not In Place

Costa Rica's domestic legislative framework is not in place as required as it does not contain key aspects of the CRS and its Commentary. Significant deficiencies have been identified relating to the framework to enforce the requirements (SR 1.4). Most significantly, Costa Rica's legislative framework does not apply sanctions for non-compliance in all cases of non-compliance with the due diligence obligations.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Costa Rica has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Costa Rica has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Costa Rica has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Costa Rica does not have a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary, as significant deficiencies have been identified. More specifically, Costa Rica's domestic legislative framework:

does not include rules that ensure that a Reporting Financial Institution is sanctioned for failing to apply due diligence procedures in accordance with the requirements; and

does not incorporate measures to ensure that self-certifications are always obtained and validated for New Accounts as required.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard.

Recommendations:

Costa Rica should amend its domestic legislative framework to include sanctions for failure to comply with the due diligence and reporting procedures in accordance with the AEOI Standard.

Costa Rica should amend its domestic legislative framework to include strong measures to ensure that valid self-certifications are always obtained for New Accounts and, more specifically, in the limited circumstances where a valid self-certification is permitted to be obtained after the opening of a New Account.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Costa Rica's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Costa Rica's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Costa Rica and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Costa Rica has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Costa Rica put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Costa Rica's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

The Tax Administration and the Global Forum Secretariat have jointly developed an Action Plan that details the measures that must be undertaken by Costa Rica to address the AEOI peer reviews' recommendations, both in respect to the legal framework and the effectiveness in practice.

This Action Plan is based on four pillars of action which include: i) legal framework reforms, ii) elaboration of internal procedures to control compliance and to prevent reporting circumvention, to undertake risk

assessment and to train staff, iii) improvements to the technological system, and iv) actions to improve relations with Reporting FIs.

The Tax Administration is working closely with Congress in order to foster the approval of a bill that will reform the tax legal framework with provisions to implement the recommendations.

We renew our commitment with tax transparency in all of its modalities, and in turn, we are always open to receive comments to improve our internal proceedings in order to provide information with the best quality and certainty to our partners.

Ecuador

Overall findings

Ecuador's legal framework implementing the AEOI Standard is not in place in accordance with the requirements of the AEOI Terms of Reference. While Ecuador's international legal framework to exchange the information with all of Ecuador's Interested Appropriate Partners (CR2) is consistent with the requirements, Ecuador's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has significant deficiencies in areas that are fundamental to the proper functioning of the AEOI Standard. More specifically, deficiencies have been identified in Ecuador's enforcement framework and in relation to the scope of Financial Accounts.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: Not In Place

Conclusions on the legal framework

General context

Ecuador commenced exchanges under the AEOI Standard in 2021.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Ecuador:

- relies on the Tax Code;
- issued SRI Resolution No. NAC-DGERCGC19-000000045 in 2019, amended by SRI Resolution No. NAC-DGERCGC21-00000006 in 2021 and further amended by Resolution No. NAC-DGERCGC23-00000007 in 2023; and
- issued SRI Resolution No. NAC-DGERCGC19-000000062 in 2019 and SRI Resolution No. NAC-DGERCGC23-00000003 in 2023.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 October 2019. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2019 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2020.

With respect to the exchange of information under the AEOI Standard, Ecuador is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2021.

Detailed findings

The detailed findings for Ecuador are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: Not In Place

Ecuador's domestic legislative framework is not in place as required as it does not contain several key aspects of the CRS and the Commentary. Significant deficiencies have been identified in relation to the framework to enforce the requirements (SR 1.4). Moreover, there are deficiencies in relation to the scope of Financial Accounts required to be reported (SR 1.2). Most significantly, Ecuador's domestic legislative framework does not incorporate a framework for enforcement to address all possible non-compliance by Reporting Financial Institutions, does not include strong measures to ensure that valid self-certifications are always obtained for New Accounts and has provided for a category of jurisdiction-specific Excluded Accounts that does not meet the requirements.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Ecuador has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Ecuador has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, Ecuador has provided for a category of jurisdiction-specific Excluded Accounts that is not in accordance with the requirements.

The scope of Financial Accounts, including the provision of Excluded Accounts is material to the proper functioning of the AEOI Standard.

Recommendations:

Ecuador should amend its domestic legislative framework to remove Dormant Accounts from its jurisdiction-specific list of Excluded Accounts as these have been defined in a manner that does not meet the requirements of the AEOI Standard.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Ecuador has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Ecuador does not have a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary as significant deficiencies have been identified. More specifically, Ecuador's domestic legislative framework:

does not include rules to prevent all Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the reporting and due diligence procedures as required;

does not impose sanctions for the provision of a false self certification by Account Holders and Controlling Persons; and

does not provide for sanctions on Reporting Financial Institutions for failing to apply the due diligence procedures as required and for failing to keep records.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard

Recommendations:

Ecuador should amend its domestic legislative framework to include rules to prevent all Financial Institutions, persons and intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures, rather than just those on whom the AEOI Standard imposes an obligation.

Ecuador should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

Ecuador should amend its domestic legislative framework to include sanctions for failure to apply the due diligence procedures.

Ecuador should amend its domestic legislative framework to include sanctions for failing to keep records in accordance with the AEOI Standard.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Ecuador's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Ecuador's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Ecuador and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Ecuador has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Ecuador put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Ecuador's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

Ecuador has made some amendments to its legal framework that were finalised shortly before the publication of this report that have not yet been assessed through the peer review process. Ecuador believes these have addressed some of the recommendations described in this report. Ecuador has also initiated the process for further changes to address remaining recommendations.

Ghana

This report analyses the implementation of the AEOI Standard in Ghana with respect to the requirements of the AEOI Terms of Reference. It assesses both the legal frameworks put in place to implement the AEOI Standard and the effectiveness of the implementation of the AEOI Standard in practice.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall findings

AEOI legal framework

Ghana's legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While Ghana's international legal framework to exchange the information with all of Ghana's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of elements of the AEOI Standard. Most significantly, deficiencies have been identified in Ghana's enforcement framework.

Overall determination on the legal framework: In Place But **Needs Improvement**

Effectiveness of AEOI in practice

Ghana's implementation of the AEOI Standard is partially compliant with the requirements of the AEOI Terms of Reference to ensure the effectiveness of the AEOI Standard in practice. While Ghana is on track with respect to exchanging the information in an effective and timely manner (CR2), there are significant issues with respect to ensuring that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures (CR1).

Overall rating in relation to the effectiveness in practice: **Partially Compliant**

General context

Ghana commenced exchanges under the AEOI Standard in 2019 on a non-reciprocal basis. In 2022, Ghana commenced exchanged on a reciprocal basis.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Ghana:

- enacted the Standard for Automatic Exchange of Financial Account Information Act, 2018, amended in 2023; and
- issued further guidance, which is not legally binding.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2018. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2018 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2019.

Following the initial Global Forum peer review, Ghana made various amendments to its legislative framework to address issues identified, the last of which was effective from 23 May 2023.

With respect to the exchange of information under the AEOI Standard, Ghana has the Convention on Mutual Administrative Assistance in Tax Matters in place and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2019.

Table 1 sets out the number of Financial Institutions in Ghana that reported information on Financial Accounts in 2022 as defined in the AEOI Standard (essentially because they maintained Financial Accounts for Account Holders, or that related to Controlling Persons, resident in a Reportable Jurisdiction). It also sets out the number of Financial Accounts that they reported in 2022. In this regard, it should be noted that Ghana requires the reporting of Financial Accounts based on a prescribed list of exchange partners and some accounts may be required to be reported more than once (e.g. jointly held accounts or accounts with multiple related Controlling Persons), which is reflected in the figures below. These figures provide key contextual information to the development and implementation of Ghana's administrative compliance strategy, which is analysed in the subsequent sections of this report.

Table.1. Number of Financial Institutions reporting and Financial Accounts reported

	Number
Financial Institutions reporting Financial Accounts in 2022	40
Financial Accounts reported in 2022	19 571

Table 2 sets out the number of exchange partners to which information was successfully sent by Ghana in the past few years (including where the necessary frameworks were in place, containing an obligation on Reporting Financial Institutions to report information, but no relevant Reportable Accounts were identified). These figures provide key contextual information in relation to Ghana's exchanges in practice, which is also analysed in subsequent sections of this report.

Table.2. Number of exchange partners to which information was successfully sent

	2019	2020	2021	2022
Number of exchange partners to which information was successfully sent	56	64	62	68

In order to provide for the effective implementation of the AEOI Standard, in Ghana:

- The Ghana Revenue Authority (the GRA, the tax authority) has the responsibility to ensure the effective implementation of the due diligence and reporting obligations by Reporting Financial Institutions and for exchanging the information with Ghana's exchange partners and is supported the Bank of Ghana (BOG), the Financial Intelligence Centre (FIC), the National Insurance Commission (NIC), the National Pension Regulatory Authority (NPRA) and the Security and Exchange Commission (SEC);
- technical solutions necessary to receive and validate the information reported by Reporting Financial Institutions were put in place by establishing a secured platform for reporting that includes a validation system; and
- the Common Transmission System (CTS) is used for the exchange of the information, along with the associated file preparation and encryption requirements.

It should be noted that the review of Ghana's legal frameworks implementing the AEOI Standard concluded with the determination that Ghana's domestic legal framework is In Place But Needs Improvement and its international legal framework is In Place. This has been taken into account when reviewing the effectiveness of Ghana's implementation of the AEOI Standard in practice and where particular identified

gaps in Ghana's legal frameworks directly impact its implementation in practice, these are mentioned below.

Findings and conclusions on the legal frameworks

The detailed findings and conclusions on the AEOI legal frameworks for Ghana are below, organised per Core Requirement (CR) and then per sub-requirement (SR) as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place But Needs Improvement

Ghana's domestic legislative framework is in place and contains most of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the framework to enforce the requirements (SR 1.4). Most significantly, Ghana's legislative framework does not include rules to prevent the circumvention of due diligence and reporting obligations in all cases.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Ghana has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Ghana has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Ghana has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Ghana has a legislative framework in place to enforce the requirements in a manner that is largely consistent with the CRS and its Commentary. However, deficiencies have been identified. More specifically, Ghana's legislative framework:

does not include rules to prevent all Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures as required; and

does not include rules requiring Reporting Financial Institutions to keep records of self-certifications in accordance with the requirements.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard.

Recommendations:

Ghana should amend its domestic legislative framework to include rules to prevent all Financial Institutions, persons and intermediaries from adopting practices intended to circumvent the reporting and due diligence procedures, rather than just those on whom the AEOI Standard imposes an obligation.

Ghana should amend its domestic legislative framework to require Reporting Financial Institutions to maintain records of self-certifications for at least five years from the deadline to report the information, rather than six years from the date when an account is closed.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Ghana's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Ghana's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Ghana and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Ghana has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Ghana put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Ghana's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Assessed jurisdiction's comments on the assessment of its legal frameworks

No comments made.

Findings and conclusions in relation to effectiveness in practice

The detailed findings and conclusions in relation to effectiveness in practice of AEOI for Ghana are below, organised per Core Requirement (CR) and then per sub-requirement (SR) as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Effectiveness in practice: Jurisdictions should ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures, which includes a requirement for jurisdictions to have in place an administrative framework to ensure the effective implementation of the CRS.

Rating: Partially Compliant

Ghana's implementation of the AEOI Standard is partially compliant with respect to ensuring that Reporting Financial Institutions are correctly conducting the due diligence and reporting procedures. More specifically, while Ghana is meeting expectations with respect to collaboration with its exchange partners to ensure effectiveness (SR 1.6), there are significant issues with respect to ensuring effectiveness in a domestic context, such as through having an effective administrative compliance framework and related procedures (SR 1.5). Ghana should continue its implementation process to ensure its effectiveness, including by addressing the recommendations made.

SR 1.5 Jurisdictions should ensure that in practice Reporting Financial Institutions identify the Financial Accounts they maintain, identify the Reportable Accounts among those Financial Accounts, as well as their Account Holders, and where relevant Controlling Persons, by correctly conducting the due diligence procedures and collect and report the required information with respect to each Reportable Account. This includes having in place:

a) an effective administrative compliance framework to ensure the effective implementation of, and compliance with, the CRS. This framework should:

   i. be based on a strategy that facilitates compliance by Reporting Financial Institutions and which is informed by a risk assessment in respect of the effective implementation of the CRS that takes into account relevant information sources (including third party sources);

   ii. include procedures to ensure that Financial Institutions correctly apply the definitions of Reporting Financial Institutions and Non-Reporting Financial Institutions;

   iii. include procedures to periodically verify Reporting Financial Institutions' compliance, conducted by authorities that have adequate powers with respect to the reviewed Reporting Financial Institutions, with procedures to access the records they maintain; and

b) effective procedures to ensure that Financial Institutions, persons or intermediaries do not circumvent the due diligence and reporting procedures;

c) effective enforcement mechanisms to address non-compliance by Reporting Financial Institutions;

d) strong measures to ensure that valid self-certifications are always obtained for New Accounts;

e) effective procedures to ensure that each, or each type of, jurisdiction-specific Non-Reporting Financial Institution and Excluded Account continue to present a low risk of being used to evade tax; and

f) effective procedures to follow up with a Reporting Financial Institution when undocumented accounts are reported in order to establish the reasons why such information is being reported.

Findings:

In order to ensure that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures, Ghana implemented many of the requirements in accordance with expectations. However, significant issues were identified. The key findings were as follows:

- Ghana has developed a strategy to ensure compliance with the AEOI Standard. The strategy is based on a risk assessment that took into account a range of relevant information sources, such as the information reported by Reporting Financial Institutions, information from AML compliance reviews and information obtained under whistle-blower programs. While Ghana has not yet implemented some key aspects of its compliance plan, it has put a particular emphasis on education and outreach activities to ensure that Financial Institutions understand their obligations. For this purpose, Ghana set up a webpage dedicated to providing information on the AEOI Standard as well as a dedicated email address and phone number that are available to Reporting Financial Institutions. Ghana also actively informs its Financial Institutions about new developments and obligations and regularly conducts seminars and training sessions. With respect to the interaction between Ghana's AEOI and AML frameworks, Ghana stated that cooperation between the relevant government agencies has started. However, there does not yet appear to be a formalised plan or activity undertaken to ensure that it always results in reporting in accordance with the AEOI Standard.
- Ghana has set up an oversight regulatory and compliance committee (consisting of all relevant regulatory agencies) to develop and implement a formalised plan to identify all potential Reporting Financial Institutions to ensure they report as required. The sources of information used to identify potential Reporting Financial Institutions include regulatory information, the national corporate register, and the Foreign Financial Institution list for FATCA purposes. Ghana has contacted several relevant Entities with enquires designed to ensure that Reporting Financial Institutions are classifying themselves correctly under its domestic rules and reporting information as required, as well as its Licensed Corporate Trustees with respect to Entities they manage that might be Reporting Financial Institutions. Ghana will follow up as needed, including through commencing audits where appropriate.
- The institution responsible for implementing Ghana's compliance strategy appears to have the necessary powers to discharge its functions. With respect to resourcing, Ghana has assigned two full-time staff within its Exchange of Information Unit in the GRA to monitor and ensure compliance by Reporting Financial Institutions, who have access to IT systems and tools to conduct risk assessments. Ghana indicated that a total number of eight full-time staff will be assigned to implementing the AEOI Standard. Overall, they appear ready to effectively implement an operational plan to verify compliance with the requirements.
- Ghana has carried out some desk-based checks to verify whether the information being reported is complete and accurate (to identify fluctuations in the numbers of accounts being reported), but it has not yet conducted in-depth reviews, including the inspection of records of Reporting Financial Institutions, nor has it yet identified any cases of non-compliance or carried out any enforcement activities. This includes not yet verifying that self-certifications are obtained as required. While Ghana has developed detailed plans to extend its compliance activities and to enforce the requirements, it has not yet begun to implement them in full.

- Although Ghana's Reporting Financial Institutions have not reported any undocumented accounts so far, Ghana has clearly defined procedures to follow up with them when they report undocumented accounts.
- Ghana is ready to take effective action to address circumvention of the requirements if such circumvention is detected, although it is slightly constrained by the deficiencies in its legal framework.
- It is noted that Ghana does not have a jurisdiction-specific list of Non-Reporting Financial Institutions or Excluded Accounts for ongoing monitoring.

Table 3 provides a summary of the specific activities undertaken, or that are planned to be undertaken, in relation to each of the key parts of the framework described above.

Table.3. Activities undertaken

Activity type	Activities undertaken
Communication and outreach	Ghana has carried out substantial communication and outreach activities, such as establishing and updating a Competent Authority website with various relevant materials for Financial Institutions, organising information and training sessions and sending out information material via email.
Verifying that Financial Institutions are reporting as required	Ghana has carried out several verification activities to ensure that Financial Institutions are reporting as required, cross-checking various relevant information sources and contacting various Entities to verify the reasons for not reporting and identified several Financial Institutions incorrectly not reporting. Ghana is following up as appropriate and may commence full audits as needed.
Verifying whether the information reported is complete and accurate	Ghana has conducted some desk-based checks to verify whether the information being reported is complete and accurate. Furthermore, Ghana has not yet conducted in-depth audits or onsite visits but has plans to do so in the near future. It accordingly has not identified any issues so far.
Enforcement	Following the activities mentioned above, Ghana has not yet imposed penalties and sanctions.

Ghana was not able to confirm that it collects and monitors information on the proportion of Financial Accounts that are reported that include information on the Tax Identification Numbers and dates of birth with respect to the individuals associated with them. These data points are key to exchange partners to effectively utilise the information and are important to developing an effective compliance strategy to ensure the AEOI Standard is being effectively implemented. Ghana was not able to confirm that it correctly collects and monitors information on the number of undocumented accounts reported by its Reporting Financial Institutions. This information is crucial to implementing the requirement to follow up on undocumented accounts.

Feedback was also received from Ghana's exchange partners indicating that, compared to what they generally experience in relation to the information received from all of their exchange partners, they achieved a relatively low level of success when seeking to match information received from Ghana with their taxpayer database. Furthermore, two exchange partners highlighted issues with respect to the information received such as incomplete information and missing dates of birth. Follow-up discussions confirmed that Ghana is aware of these issues and is seeking to improve the situation.

Based on these findings it was concluded that Ghana is partially meeting expectations in ensuring that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures, including by having in place the required administrative compliance framework and related procedures. More specifically, significant issues have been identified with respect to Ghana's activities to verify that the information reported is complete and accurate, including with respect to self-certifications, as well as the

monitoring of Tax Identification Numbers and dates of birth. Ghana should therefore continue its implementation process accordingly, including by addressing the recommendations made.

Recommendations:

Ghana should further implement its overarching compliance strategy to underpin its compliance activities, informed by a risk assessment that takes into account a range of relevant information sources.

Ghana should actively monitor the interaction between its AML and AEOI frameworks to ensure that the collection and reporting of information under the AEOI Standard is in accordance with the requirements.

Ghana should implement its planned verification activities, including the review of records maintained by Reporting Financial Institutions and routinely apply its enforcement mechanisms where non-compliance is identified, including the application of dissuasive penalties and sanctions as appropriate.

Ghana should implement its plans to monitor and verify whether Reporting Financial Institutions are obtaining valid self-certifications as required, including dedicated communication activities, with a particular focus on self-certifications obtained after the opening of a Financial Account.

Ghana should implement mechanisms to identify Reporting Financial Institutions that have undocumented accounts and implement its policy to follow up with them to ensure that the requirements are being complied with.

Ghana should implement systems to monitor the reporting of Tax Identification Numbers and dates of birth by Reporting Financial Institutions to inform its compliance strategy.

Ghana should address the issues raised by its exchange partners.

SR 1.6 Jurisdictions should collaborate on compliance and enforcement. This requires jurisdictions to:

a) use all appropriate measures available under the jurisdiction's domestic law to address errors or non-compliance notified to the jurisdiction by an exchange partner; and

b) have in place effective procedures to notify an exchange partner of errors that may have led to incomplete or incorrect information reporting or non-compliance with the due diligence or reporting procedures by a Reporting Financial Institution in the jurisdiction of the exchange partner.

Findings:

In order to collaborate on compliance and enforcement, it appears that Ghana implemented all of the requirements in relation to issues notified to them (i.e. under Section 4 of the MCAA or equivalent) in accordance with expectations. In particular, Ghana received notifications from two partners (representing 3% of its partners) and has successfully processed them in a timely manner. Ghana has resolved one of the issues raised and is in the process of resolving the remaining issue. This is depicted in Figure 1. It also appears that Ghana will notify its partners effectively of errors or suspected non-compliance it identified when utilising the information received.

Figure 1. Notifications received



Based on these findings it was concluded that Ghana is fully meeting expectations in relation to collaborating with its exchange partners to ensure that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures. Ghana is encouraged to continue its implementation process accordingly, to ensure its ongoing effectiveness.

Recommendations:

No recommendations made.

CR2 Effectiveness in practice: Jurisdictions should exchange the information effectively in practice, in a timely manner, including by sorting, preparing, validating and transmitting it in accordance with the AEOI Standard.

Rating: On Track

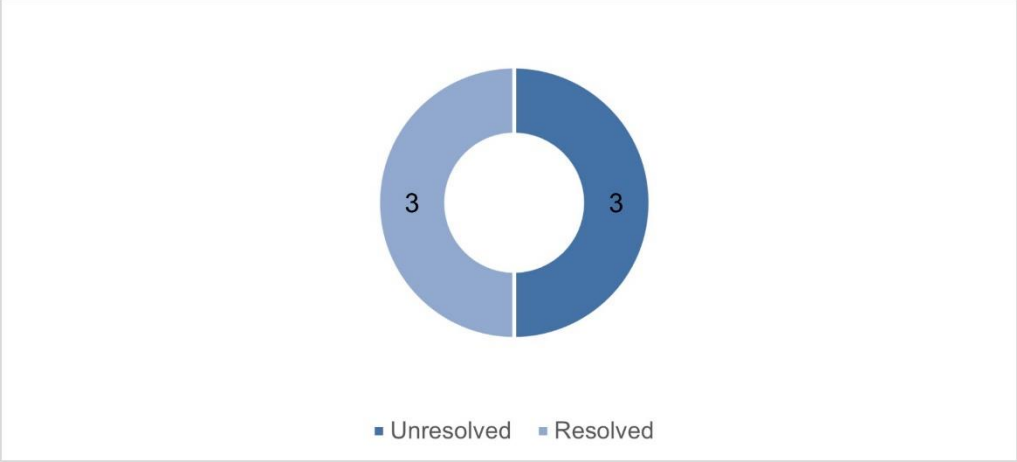
Ghana's implementation of the AEOI Standard is on track with respect to exchanging the information effectively in practice, including in relation to sorting, preparing and validating the information (SR 2.4), correctly transmitting the information in a timely manner (SRs 2.5 – 2.8) and providing corrections, amendments or additions to the information (SR 2.9). Ghana has shown improvement over time and is encouraged to continue its implementation process accordingly, to ensure its ongoing effectiveness.

SR 2.4 Jurisdictions should sort, prepare and validate the information in accordance with the CRS XML Schema and the associated requirements in the CRS XML Schema User Guide and the File Error and Correction-related validations in the Status Message User Guide (i.e. the 50000 and 80000 range).

Findings:

Six exchange partners highlighted particular issues with respect to preparation and format of the information sent by Ghana (representing 9% of its partners). These generally related to the reporting of closed accounts and the resubmission of corrected files. More generally, one of Ghana's exchange partners reported rejecting more than 25% of the files received, due to the technical requirements not being met. This has improved over time and is now broadly in line with the general experience of other jurisdictions. It was noted that Ghana has already successfully addressed most of the issues, including some that arose some time ago, and is in the process of addressing the remaining ones.

Figure 2. Technical issues raised by Ghana's exchange partners



Based on these findings it was concluded that, overall, Ghana is meeting expectations in relation to sorting, preparing and validating the information. It was also noted that there is room for improvement with respect to working with its exchange partners to address the issues raised. Ghana is therefore encouraged to continue its implementation process accordingly, including in relation to the area highlighted.

Recommendations:

Ghana should continue to work with its exchange partners to address the issues raised.

SR 2.5 Jurisdictions should agree and use, with each exchange partner, transmission methods that meet appropriate minimum standards to ensure the confidentiality and integrity of the data throughout the transmission, including its encryption to a minimum secure standard.

Findings:

In order to put in place an agreed transmission method that meets appropriate minimum standards in confidentiality, integrity of the data and encryption for use with each of its exchange partners, Ghana linked to the Common Transmission System.

Based on these findings it was concluded that Ghana is fully meeting expectations in relation to agreeing and using appropriate transmission methods with each of its partners. Ghana is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

SR 2.6 Jurisdictions should carry out all exchanges annually within nine months of the end of the calendar year to which the information relates.

Findings:

Feedback from Ghana's exchange partners did not raise any concerns with respect to timeliness of the exchanges by Ghana and therefore with respect to Ghana's implementation of this requirement.

Based on these findings it was concluded that Ghana is fully meeting expectations in relation to exchanging the information in a timely manner. Ghana is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

SR 2.7 Jurisdictions should send the information in accordance with the agreed transmission methods and encryption standards.

Findings:

Feedback from Ghana's exchange partners did not raise any concerns with respect to Ghana's use of the agreed transmission methods and therefore with Ghana's implementation of this requirement.

Based on these findings it was concluded that Ghana is fully meeting expectations in relation to sending the information in accordance with the agreed transmission methods and encryption standards. Ghana is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

SR 2.8 Jurisdictions should have the systems in place to receive information and, once it has been received, should send a status message to the sending jurisdictions in accordance with the CRS Status Message XML Schema and the related User Guide.

Findings:

Three exchange partners highlighted delays in the sending of status messages by Ghana, representing 4% of its partners. This represents a relatively high proportion of partners. It was noted that Ghana appears to be successfully addressing the issues to ensure that status messages are sent in accordance with the requirements.

Based on these findings it was concluded that, overall, Ghana is meeting expectations in relation to the receipt of the information. It was also noted that there is room for improvement with respect to sending status messages to all of its exchange partners in a timely manner. Ghana is encouraged to continue to ensure the ongoing effectiveness of its implementation, including in relation to the area highlighted.

Recommendations:

Ghana should ensure it sends status messages to all of its exchange partners in a timely manner.

SR 2.9 Jurisdictions should respond to a notification from an exchange partner as referred to in Section 4 of the Model CAA (which may include Status Messages) in accordance with the timelines set out in the Commentary to Section 4 of the Model CAA. In all other cases, jurisdictions should send corrected, amended or additional information received from a Reporting Financial Institution as soon as possible after it has been received.

Findings:

While it is unclear whether Ghana's approach will ensure that corrected, amended or additional information is provided in a timely manner, it has not been tested and no such concerns were raised by Ghana's exchange partners and therefore with respect to Ghana's implementation of these requirements.

Based on these findings it was concluded that Ghana appears to be meeting expectations in relation to responding to notifications from exchange partners and the sending of corrected, amended or additional information. Ghana is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

Assessed jurisdiction's comments on the assessment of effectiveness in practice

No comments made.

India

Overall findings

India's legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes India's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of India's Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place

Conclusions on the legal framework

General context

India commenced exchanges under the AEOI Standard in 2017.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, India:

- enacted Section 285BA of the Income-tax Act 1961 and Rules 114F to 114H of the Income-tax Rules, 1962 as amended in 2022;
- issued further guidance, which is legally binding, and amended the guidance in July 2020 and July 2023; and
- made reference to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 for the purposes of the identification of Controlling Persons under the AEOI Standard.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2016. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2016 and on Lower Value Individual Accounts and Entity Accounts by 30 June 2017.

Following the initial Global Forum peer review, India amended its legislative framework to address issues identified, the last of which was effective from 26 July 2023.

With respect to the exchange of information under the AEOI Standard, India is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2017.

Detailed findings

The detailed findings for India are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place

India's domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

India has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

India has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

India has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

India has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

India's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of India's Interested Appropriate Partners (i.e.

all jurisdictions that are interested in receiving information from India and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

India has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

India put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

India's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Israel

Overall findings

Israel's legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While Israel's international legal framework to exchange the information with all of Israel's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of the AEOI Standard. More specifically, the deficiencies relate to the scope of Reporting Financial Institutions, the scope of Financial Accounts and the due diligence procedures to identify Reportable Accounts.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place But **Needs Improvement**

Conclusions on the legal framework

General context

Israel committed to commence exchanges under the AEOI Standard in 2018. Due to delays in putting in place the necessary domestic legal framework, Israel commenced exchanges in 2019 and, where possible, also exchanged the information that was due to be exchanged in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Israel:

- amended the Tax Ordinance; and
- issued the Income Tax Regulations (Implementation of the Common Standard on Reporting and Due Diligence for Financial Account information) in 2019, as amended in 2023.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 April 2019. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2019 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2020.

Following the initial Global Forum peer review, Israel amended its legislative framework to address issues identified, effective from 9 March 2023.

With respect to the exchange of information under the AEOI Standard, Israel is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2019.

Detailed findings

The detailed findings for Israel are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place But **Needs Improvement**

Israel's domestic legislative framework is in place and contains most of the key aspects of the CRS and the Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the scope of Reporting Financial Institutions (SR 1.1), the scope of Financial Accounts required to be reported and the due diligence procedures that must be applied to identify Reportable Accounts (SR 1.2). Most significantly, Israel provides for several jurisdiction-specific Non-Reporting Financial Institutions that do not meet the requirements of the AEOI Standard and has not defined Active NFEs in accordance with the AEOI Standard.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Israel has defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is largely consistent with the CRS and its Commentary. However, deficiencies have been identified. More specifically, Israel provides for two jurisdiction-specific Non-Reporting Financial Institutions that are not in accordance with the requirements. The definition of Reporting Financial Institutions, including the provision of Non-Reporting Financial Institutions, is material to the proper functioning of the AEOI Standard.

Recommendations:

Israel should amend its domestic legislative framework to remove two entries from its jurisdiction-specific list of categories of Non-Reporting Financial Institutions as they do not meet the requirements. The entries are: i) provident funds; and ii) small financial institutions.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Israel has not defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework in a manner that is consistent with the CRS and its Commentary and has not incorporated the due diligence procedures that must be applied to identify them correctly as significant deficiencies have been identified. More specifically, the exclusion of certain equity and debt interests from the definition of Financial Account is not in accordance with the AEOI Standard. Furthermore, Israel provides for several jurisdiction-specific Excluded Accounts that are not in accordance with the requirements. The scope of Financial Accounts and the due diligence procedures to identify them are material to the proper functioning of the AEOI Standard.

Recommendations:

Israel should amend its domestic legislative framework to include all of the required categories of Equity or debt interest in the definition of Financial Account in accordance with the AEOI Standard.

Israel should amend its domestic legislative framework to define the term Active NFE in accordance with the AEOI Standard.

Israel should amend its domestic legislative framework to remove three entries from its jurisdiction-specific list of categories of Excluded Accounts as they do not meet the requirements. The entries are: i) undefined group of beneficiary accounts; ii) escrow accounts maintained by lawyers, rabbinical pleaders or accountants; and iii) dormant accounts.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Israel has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Israel has a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Israel's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Israel's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Israel and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Israel has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Israel put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Israel's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Kazakhstan

Overall findings

Kazakhstan's legal framework implementing the AEOI Standard is not in place in accordance with the requirements of the AEOI Terms of Reference. While Kazakhstan's international legal framework to exchange the information with all of Kazakhstan's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has significant deficiencies in areas that are fundamental to the proper functioning of the AEOI Standard. Most significantly, Kazakhstan's legislative framework does not define the categories of Financial Institutions and Financial Accounts in line with the AEOI Standard, does not contain the due diligence requirements in a manner that is binding on Financial Institutions and has an incomplete enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: Not In Place

Conclusions on the legal framework

General context

Kazakhstan commenced exchanges under the AEOI Standard in 2021.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Kazakhstan:

- relies on Articles 24 and 27 of the Tax Code;
- relies on the Law of the Republic of Kazakhstan No 191-IV dated 28 August 2009 (Countering Money Laundering);
- introduced Order No. 1429, dated 27 December 2019, as amended by Order No. 344 of 15 April 2021; and
- issued Methodological Recommendations on Order No. 1429 ("the Methodology"), which are not binding on Financial Institutions.

Under this framework Reporting Financial Institutions were instructed to commence the due diligence procedures in relation to New Accounts by 1 January 2020, as per the Methodology. With respect to Preexisting Accounts, there is no date specified for the completion of review of High Value Individual Accounts, Lower Value Individual Accounts and Entity Accounts.

With respect to the exchange of information under the AEOI Standard, Kazakhstan has the Convention on Mutual Administrative Assistance in Tax Matters in place and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2021.

Detailed findings

The detailed findings for Kazakhstan are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: Not In Place

Kazakhstan's domestic legislative framework is not in place as required as it does not contain several key aspects of the CRS and its Commentary. Significant deficiencies have been identified in relation to the scope of Reporting Financial Institutions required to report information (SR 1.1), the scope of Financial Accounts required to be reported and the due diligence procedures to be applied (SR 1.2), the information required to be reported (SR 1.3) and the framework to enforce the requirements (SR 1.4). Most significantly, Kazakhstan's legislative framework does contain some of the key due diligence timelines, does not fully define the categories of Financial Institutions and Financial Accounts, does not include the due diligence requirements in a manner that is binding on Financial Institutions and has incomplete sanctions as part of its enforcement framework.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Kazakhstan has not defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is consistent with the AEOI Standard and its Commentary as significant deficiencies have been identified. Most significantly, Kazakhstan's legislative framework:

- does not incorporate the definitions of the four categories of Financial Institution, as well as the related definitions from which they derive and the term "Financial Assets" as found in the AEOI Standard; and
- does not define Entity, and so will not include legal arrangements as potential Financial Institutions.

The scope of Reporting Financial Institutions, including the specification of Non-Reporting Financial Institutions, is material to the proper functioning of the AEOI Standard.

Recommendations:

Kazakhstan should amend its domestic legislative framework to include a definition of Participating Jurisdiction Financial Institution as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to include definitions of Financial Institution, Custodial Institution, Depository Institution, Investment Entity and Specified Insurance Company and the related definitions that are essential to defining Financial Institutions including defining Entity, Financial Assets, Participating Jurisdiction Financial Institution, "managed by" and "passive income" in line with the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to ensure that the residency of a (i) trust that is a Financial Institution and (ii) a fiscally transparent Financial Institution (other than a trust) is determined in accordance with the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to incorporate the requirement that where a Financial Institution (other than a trust) is resident in the implementing jurisdiction and another Participating Jurisdiction, it must carry out the reporting and due diligence obligations in the implementing jurisdiction where it maintains the Financial Account(s).

Kazakhstan should amend its domestic legislative framework to require the term Investment Entity to be interpreted consistently with similar language defining "financial institution" in the Financial Action Task Force Recommendations.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Kazakhstan has not defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and has not incorporated the due diligence procedures that must be applied to identify them in a manner that is consistent with the AEOI Standard and its Commentary as significant deficiencies have been identified. Crucially, Kazakhstan's legislative framework has provided for the due diligence procedures in a manner that is not binding on Financial Institutions. Furthermore, Kazakhstan's domestic legislative framework also has the following significant issues as it:

- does not align with the definition of Financial Account in the AEOI Standard and does not incorporate the further definitions for Depository Account, Custodial Account, Equity Interest, Cash Value Insurance Contract and Annuity Contract;
- does not include definitions of the terms "Controlling Persons", "Active NFE"; "Passive NFE", "Account Holder" and "Related Entity" as required;
- does not incorporate the definition of "Documentary Evidence" as required under the AEOI Standard; and
- does not include a number of provisions of the due diligence procedures, including specifying the date on which a Preexisting Entity Account is first to be identified.

The scope of Financial Accounts and the due diligence procedures to identify them are material to the proper functioning of the AEOI Standard.

Recommendations:

Kazakhstan should amend its domestic legislative framework to include due diligence procedures related to (i) High Value Accounts, (ii) New Individual Accounts, (iii) Pre-existing Entity Accounts and (iv) New Entity Accounts, in a manner that is binding on Financial Institutions.

Kazakhstan should amend its domestic legislative framework to introduce the definitions relevant to Financial Accounts, including the supplementary definitions for Depository Account, Custodial Account, Equity Interest, Cash Value Insurance Contract and Annuity Contract as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce the definitions of (i) Active NFE and (ii) Passive NFE, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce a definition of passive income, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce the definition of Account Holder, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce the definitions of Entity and Related Entity, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce a definition of Documentary Evidence, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to introduce a definition of Controlling Persons, in line with the AEOI Standard, along with the requirements in relation to the identification of Controlling Persons, as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to define Excluded Accounts so that the scope does not go beyond that which is permitted by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to align the definition of Reportable Person to that contained in the AEOI Standard

Kazakhstan should amend its domestic legislative framework to include definitions of (i) New Account, (ii) Preexisting Account, (iii) Lower Value Account and (iv) High Value Account that are in accordance with the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to specify the completion dates for the reviews of: (i) Preexisting High Value Individual Accounts; (ii) Preexisting Lower Value Individual Accounts; and (iii) Preexisting Entity Accounts.

Kazakhstan should amend its domestic legislative framework to ensure that the residence address test is only permitted to be based on Documentary Evidence as defined in the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to ensure that the residence address test is only permitted when based on a "current" residence address as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to ensure that the requirement to base the residence address test on Documentary Evidence is applied in accordance with the Commentary, as required under the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to ensure that the change of circumstances rule is applicable to the residence address test as required by the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to ensure that Reporting Financial Institutions follow the specific procedures if there is a change of circumstance in accordance with the AEOI Standard.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Kazakhstan has incorporated the reporting requirements in its domestic legislative framework in a manner that is largely consistent with the CRS and its Commentary. However, deficiencies have been identified. More specifically, Kazakhstan's legislative framework permits the details of an Account Holder to be reported without a TIN, but has not made this subject to the conditions specified in the CRS and does not require Reporting Financial Institutions to use reasonable efforts to obtain the TIN(s) or date of birth of the Account Holder with respect to Preexisting Accounts as required.

The reporting requirements are material to the proper functioning of the AEOI Standard.

Recommendations:

Kazakhstan should amend its domestic legislative framework to specify the circumstances under which TINs are permitted not to be reported.

Kazakhstan should amend its domestic legislative framework to require Reporting Financial Institutions to use reasonable efforts, when required, to obtain a TIN or date of birth of a Preexisting Account Holder by the end of the second calendar year following the year in which a Preexisting Account is identified as a Reportable Account.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Kazakhstan does not have a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary as significant deficiencies have been identified. More specifically, Kazakhstan's legislative framework:

- does not include rules to prevent Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures as required;
- does not contain provisions imposing sanctions on Account Holders and Controlling Persons for the provision of a false self-certification;

- does not provide the relevant authorities with the power to access the records held by Reporting Financial Institutions in relation to the due diligence procedures applied;
- does not include rules requiring Reporting Financial Institutions to maintain records in accordance with the AEOI Standard;
- does not impose sanctions for failing to carry out the due diligence procedures and failing to keep records as required under the AEOI Standard; and
- does not include measures to ensure that valid self-certifications are always obtained for New Accounts.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard.

Recommendations:

Kazakhstan should amend its domestic legislative framework to include rules to prevent Financial Institutions, persons and intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures.

Kazakhstan should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

Kazakhstan should amend its domestic legislative framework to introduce provisions requiring Reporting Financial Institutions to keep records of the steps undertaken and any evidence relied upon for the performance of the due diligence procedures and to maintain these records for at least five years from the deadline to report the information, in accordance with the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to provide the appropriate authorities with the power to access the records and evidence relevant to verifying and enforcing the AEOI Standard.

Kazakhstan should amend its domestic legislative framework to include sanctions for failure to comply with the due diligence and record keeping requirements.

Kazakhstan should introduce measures to ensure that valid self-certifications are always obtained for New Accounts.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Kazakhstan's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Kazakhstan's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Kazakhstan and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Kazakhstan has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Kazakhstan put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Kazakhstan's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Note

[1] Through a territorial extension by the Netherlands.

Kuwait

This report analyses the implementation of the AEOI Standard in Kuwait with respect to the requirements of the AEOI Terms of Reference. It assesses both the legal frameworks put in place to implement the AEOI Standard and the effectiveness of the implementation of the AEOI Standard in practice.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall findings

AEOI legal framework

Kuwait's legal framework implementing the AEOI Standard is not in place in accordance with the requirements of the AEOI Terms of Reference. While Kuwait's international legal framework to exchange the information with all of Kuwait's Interested Appropriate Partners (CR2) is consistent with the requirements, the domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has significant deficiencies in areas that are fundamental to the proper functioning of the AEOI Standard. More specifically, deficiencies have been identified in Kuwait's enforcement framework.

Overall determination on the legal framework: Not in Place

Effectiveness of AEOI in practice

Kuwait's implementation of the AEOI Standard is not compliant with the requirements of the AEOI Terms of Reference to ensure the effectiveness of the AEOI Standard in practice. While Kuwait is on track with respect to exchanging the information in an effective and timely manner (CR2), there are fundamental issues with respect to ensuring that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures (CR1).

Overall rating in relation to the effectiveness in practice: **Non-Compliant**

General context

Kuwait commenced exchanges under the AEOI Standard in 2019, when it exchanged information relating to both 2017 and 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Kuwait issued Ministerial Decision No. (36) for the year 2017.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 April 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2017 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2018.

With respect to the exchange of information under the AEOI Standard, Kuwait is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2019.

Table 1 sets out the number of Financial Institutions in Kuwait that reported information on Financial Accounts in 2022 as defined in the AEOI Standard (essentially because they maintained Financial Accounts for Account Holders, or relating to Controlling Persons, resident in a Reportable Jurisdiction). Kuwait did not provide information on the number of Financial Accounts reported by Financial Institutions in Kuwait in 2022. In this regard, it should be noted that Kuwait requires the reporting of Financial Accounts based on a prescribed list of exchange partners and some accounts may be required to be reported more than once (e.g. jointly held accounts or accounts with multiple related Controlling Persons), which is reflected in the figures below. These figures provide key contextual information to the development and implementation of Kuwait's administrative compliance strategy, which is analysed in the subsequent sections of this report.

Table.1. Number of Financial Institutions reporting and Financial Accounts reported

	Number
Financial Institutions reporting Financial Accounts in 2022	52
Financial Accounts reported in 2022	30 874

Table 2 sets out the number of exchange partners to which information was successfully sent by Kuwait in the past few years (including where the necessary frameworks were in place, containing an obligation on Reporting Financial Institutions to report information, but no relevant Reportable Accounts were identified). These figures provide key contextual information in relation to Kuwait's exchanges in practice, which is also analysed in subsequent sections of this report.

Table.2. Number of exchange partners to which information was successfully sent

	2019	2020	2021	2022
Number of exchange partners to which information was successfully sent	52	67	62	72

In order to provide for the effective implementation of the AEOI Standard, in Kuwait:

- the Ministry of Finance (the tax authority) has the responsibility to ensure the effective implementation of the due diligence and reporting obligations by Reporting Financial Institutions and for exchanging the information with Kuwait's exchange partners;
- technical solutions necessary to receive and validate the information reported by Reporting Financial Institutions were put in place by Kuwait, which ensure the validation of the data reported by Financial Institutions before it is exchanged with Kuwait's exchange partners; and
- the Common Transmission System (CTS) is used for the exchange of the information, along with the associated file preparation and encryption requirements.

It should be noted that the review of Kuwait's legal frameworks implementing the AEOI Standard concluded with the determination that Kuwait's domestic legal framework is Not In Place and its international legal framework is In Place. This has been taken into account when reviewing the effectiveness of Kuwait's implementation of the AEOI Standard in practice and where particular identified gaps in Kuwait's legal frameworks directly impact its implementation in practice, these are mentioned below.

Findings and conclusions on the legal frameworks

The detailed findings and conclusions on the AEOI legal frameworks for Kuwait are below, organised per Core Requirement (CR) and then per sub-requirement (SR) as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: Not In Place

Kuwait's domestic legislative framework is not in place as required as it does not contain several key aspects of the CRS and the Commentary. Significant deficiencies have been identified in relation to the framework to enforce the requirements (SR 1.4). Most significantly, Kuwait's domestic legislative framework does not provide relevant authorities access to records kept by Financial Institutions, does not incorporate a framework for enforcement to address non-compliance, and does not include strong measures to ensure that valid self-certifications are always obtained for New Accounts.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Findings:

Kuwait has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Findings:

Kuwait has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Findings:

Kuwait has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Findings:

Kuwait does not have a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary as significant deficiencies have been identified. More specifically, Kuwait's legislative framework:

- does not include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification;
- does not provide the relevant authorities with the power to access the records held by Reporting Financial Institutions in relation to the due diligence procedures applied;
- does not provide for sanctions on Reporting Financial Institutions for failing to carry out the due diligence procedures; and
- does not incorporate measures to ensure that self-certifications are always obtained and validated for New Accounts as is required.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard.

Recommendations:

Kuwait should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

Kuwait should amend its domestic legislative framework to provide the appropriate authorities with access to the records required to be kept by Reporting Financial Institutions.

Kuwait should amend its domestic legislative framework to include sanctions for failure to comply with the due diligence and reporting procedures.

Kuwait should amend its domestic legislative framework to include strong measures to ensure that valid self-certifications are always obtained for New Accounts in accordance with the requirements.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Kuwait's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Kuwait's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Kuwait and that meet the required standard in relation to confidentiality and data safeguards) (SRs 2.1 – 2.3).

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Findings:

Kuwait has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Findings:

Kuwait put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Findings:

Kuwait's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Assessed jurisdiction's comments on the assessment of its legal frameworks

No comments made.

Findings and conclusions in relation to effectiveness in practice

The detailed findings and conclusions in relation to effectiveness in practice of AEOI for Kuwait are below, organised per Core Requirement (CR) and then per sub-requirement (SR) as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Effectiveness in practice: Jurisdictions should ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures, which includes a requirement for jurisdictions to have in place an administrative framework to ensure the effective implementation of the CRS.

Rating: Non-Compliant

Kuwait's implementation of the AEOI Standard is non-compliant with respect to ensuring that Reporting Financial Institutions are correctly conducting the due diligence and reporting procedures. More specifically, while Kuwait is meeting expectations with respect to collaboration with its exchange partners to ensure effectiveness (SR 1.6), there are fundamental issues with respect to ensuring effectiveness in a domestic context, such as through having an effective administrative compliance framework and related procedures (SR 1.5). Kuwait should continue its implementation process to ensure its effectiveness, including by addressing the recommendations made.

SR 1.5 Jurisdictions should ensure that in practice Reporting Financial Institutions identify the Financial Accounts they maintain, identify the Reportable Accounts among those Financial Accounts, as well as their Account Holders, and where relevant Controlling Persons, by correctly conducting the due diligence procedures and collect and report the required information with respect to each Reportable Account. This includes having in place:

a) an effective administrative compliance framework to ensure the effective implementation of, and compliance with, the CRS. This framework should:

   i. be based on a strategy that facilitates compliance by Reporting Financial Institutions and which is informed by a risk assessment in respect of the effective implementation of the CRS that takes into account relevant information sources (including third party sources);

   ii. include procedures to ensure that Financial Institutions correctly apply the definitions of Reporting Financial Institutions and Non-Reporting Financial Institutions;

iii. include procedures to periodically verify Reporting Financial Institutions' compliance, conducted by authorities that have adequate powers with respect to the reviewed Reporting Financial Institutions, with procedures to access the records they maintain; and

b) effective procedures to ensure that Financial Institutions, persons or intermediaries do not circumvent the due diligence and reporting procedures;

c) effective enforcement mechanisms to address non-compliance by Reporting Financial Institutions;

d) strong measures to ensure that valid self-certifications are always obtained for New Accounts;

e) effective procedures to ensure that each, or each type of, jurisdiction-specific Non-Reporting Financial Institution and Excluded Account continue to present a low risk of being used to evade tax; and

f) effective procedures to follow up with a Reporting Financial Institution when undocumented accounts are reported in order to establish the reasons why such information is being reported.

Findings:

In order to ensure that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures, Kuwait implemented some of the requirements in accordance with expectations. However, fundamental deficiencies were identified. The key findings were as follows:

- Kuwait has developed a strategy to ensure compliance with the AEOI Standard. The strategy is based on a risk assessment that took into account a range of relevant information sources, such as the information reported by Reporting Financial Institutions, information from AML compliance reviews and information reported by the public. The strategy also includes plans for communication and outreach activities, and Kuwait has already conducted a workshop with Financial Institutions and set up an email address and phone number dedicated to inquiries regarding the AEOI Standard. With respect to the interaction between Kuwait's AEOI and AML frameworks, there does not appear to be a formalised plan or activity undertaken to ensure that it always results in reporting in accordance with the AEOI Standard.
- Kuwait has developed a formalised plan to understand its population of Financial Institutions, including relevant non-regulated Entities, building on a wide range of internal and external sources, such as the tax registry, membership lists of relevant associations in the financial sector and information provided by service providers on request. Kuwait also cross-checks the Foreign Financial Institution list for FATCA purposes. After the matching exercises, Kuwait identified several Financial Institutions that should have been classified as Reporting Financial Institutions. Kuwait has followed up in these instances by informing the relevant regulators about the Financial Institutions that have failed to register, but further action is needed to ensure that these Reporting Financial Institutions are classifying themselves correctly under Kuwait's domestic rules and reporting information as required.
- Kuwait allocated financial resources to the implementation of the AEOI Standard, including by hiring third party services, although the overall adequacy of its resourcing is unclear, particularly with respect to the financial and human resources allocated within the responsible authority. Kuwait stated that a significant number of exchange of information officials are undergoing training and have been assigned to core functions, but it remains unclear as to whether the resources assigned are sufficient to ensure the effective implementation of the AEOI Standard
- Kuwait has indicated that some verification activities have been carried out by an external auditor, but it did not demonstrate how it comprehensively verifies the full range of due diligence requirements by Reporting Financial Institutions, such as through desk-based checks or in-depth reviews that include the review of the records held by Reporting Financial Institutions, nor how it effectively addresses non-compliance. While Kuwait has developed detailed plans for future compliance activities, there are currently no clearly defined procedures in place and effective

actions taken to ensure self-certifications are obtained as required. It is also noted that any activities will be constrained by Kuwait's lack of a legal basis to access the records held by Financial Institutions for the purpose of ensuring compliance with the AEOI Standard and to impose sanctions for failure to comply with the due diligence and reporting procedures.

- Kuwait has developed clearly defined procedures to follow up with Reporting Financial Institutions when undocumented accounts are reported, although it does not appear that effective action has been taken in the instances where undocumented accounts have been reported. Kuwait also has clearly defined procedures to address circumvention of the due diligence and reporting procedures by Financial Institutions, persons or intermediaries.
- It is noted that Kuwait does not have a jurisdiction-specific list of Non-Reporting Financial Institutions or Excluded Accounts for ongoing monitoring.

Table 3 provides a summary of the specific activities undertaken, or that are planned to be undertaken, in relation to each of the key parts of the framework described above.

Table.3. Activities undertaken

Activity type	Activities undertaken
Communication and outreach	Kuwait has carried out some communication and outreach activities, such as conducting a workshop with Financial Institutions and setting up a dedicated email address and phone number for inquiries regarding the AEOI Standard.
Verifying that Financial Institutions are reporting as required	Kuwait appears to have carried out some verification activities to ensure that Financial Institutions are reporting as required, although these appear to be limited to e-mail communications and nudge letters. It identified some Financial Institutions incorrectly not reporting.
Verifying whether the information reported is complete and accurate	Kuwait has not yet conducted desk-based checks to verify whether the information being reported is complete and accurate, but there is a clearly defined plan to do so in the near future. Furthermore, Kuwait has not yet conducted in-depth audits, but has high-level plans to do so in the near future.
Enforcement	In view of the activities mentioned above, Kuwait has not yet imposed penalties and sanctions and there are no clearly defined plans to do so in the near future.

In terms of the Financial Account information collected and sent by Kuwait, it was found to include a much lower proportion of Tax Identification Numbers with respect to the individuals associated with the accounts when compared to most other jurisdictions. Furthermore, while the collection and reporting of dates of birth is generally higher across jurisdictions, Kuwait nevertheless reported a much lower rate of collection of dates of birth when compared to other jurisdictions. These data points are key to exchange partners to effectively utilise the information and are important to developing an effective compliance strategy to ensure the AEOI Standard is being effectively implemented. The level of undocumented accounts reported by Kuwait's Reporting Financial Institutions appeared to be in line with most other jurisdictions.

Feedback was also received from Kuwait's exchange partners indicating that, compared to what they generally experience in relation to the information received from all of their exchange partners, they achieved a relatively low level of success when seeking to match information received from Kuwait with their taxpayer database. Furthermore, one exchange partner highlighted issues with respect to the information received, in particular incorrect or incomplete addresses. Follow-up discussions confirmed that Kuwait is aware of these issues and is seeking to improve the situation.

Based on these findings, it has been concluded that Kuwait is not meeting expectations in ensuring that Reporting Financial Institutions correctly conduct the due diligence and reporting procedures, including by having in place the required administrative compliance framework and related procedures. More specifically, fundamental issues have been identified, including with respect to not having in place an

effective enforcement framework to address non-compliance by Reporting Financial Institutions. Kuwait should therefore continue its implementation process accordingly, including by addressing the recommendations made.

Recommendations:

Kuwait should actively monitor the interaction between its AML and AEOI frameworks to ensure that the collection and reporting of information under the AEOI Standard is in accordance with the requirements.

Kuwait should routinely update the information used to identify its population of Financial Institutions and take actions to ensure they correctly apply the definitions of Reporting Financial Institutions and Non-Reporting Financial Institutions and report information as required.

Kuwait should implement its framework and take appropriate actions to verify that Reporting Financial Institutions are effectively implementing the AEOI Standard and are reporting complete and accurate information, including in-depth reviews and reviewing the records they hold. Reference is made to the recommendations given when assessing Kuwait's legal frameworks implementing the AEOI Standard.

Kuwait should ensure that it allocates adequate resources to carry out its compliance strategy.

Kuwait should develop and implement effective enforcement mechanisms to address non-compliance by Reporting Financial Institutions, including the application of dissuasive penalties and sanctions as appropriate, and routinely apply them where non-compliance is identified. Reference is made to the recommendations made when assessing Kuwait's legal frameworks implementing the AEOI Standard.

Kuwait should develop and implement effective procedures to monitor and verify whether Reporting Financial Institutions are obtaining valid self-certifications as required, including dedicated communication activities, with a particular focus on self-certifications obtained after the opening of a Financial Account. Reference is made to the recommendations made when assessing Kuwait's legal frameworks implementing the AEOI Standard.

Kuwait should implement its policy to follow up with Reporting Financial Institutions that report undocumented accounts to ensure that the requirements are being complied with.

Kuwait should address the issues raised by its exchange partners.

SR 1.6 Jurisdictions should collaborate on compliance and enforcement. This requires jurisdictions to:

- **a)** use all appropriate measures available under the jurisdiction's domestic law to address errors or non-compliance notified to the jurisdiction by an exchange partner; and
- **b)** have in place effective procedures to notify an exchange partner of errors that may have led to incomplete or incorrect information reporting or non-compliance with the due diligence or reporting procedures by a Reporting Financial Institution in the jurisdiction of the exchange partner.

It should be noted that, as Kuwait exchanges information on a non-reciprocal basis and does not therefore receive information, it is not required to have in place procedures to notify its exchange partners. SR 1.6 b) has therefore not been assessed in this case.

Findings:

In order to collaborate on compliance and enforcement, it appears that Kuwait implemented all of the requirements in relation to issues notified to them (i.e. under Section 4 of the MCAA or equivalent) in accordance with expectations. While no such notifications have yet been received, Kuwait has the necessary systems and procedures to process them as required.

Based on these findings it was concluded that Kuwait is fully meeting expectations in relation to collaborating with its exchange partners to ensure that Reporting Financial Institutions correctly conduct

the due diligence and reporting procedures. Kuwait is encouraged to continue its implementation process accordingly, to ensure its ongoing effectiveness.

Recommendations:

No recommendations made.

CR2 Effectiveness in practice: Jurisdictions should exchange the information effectively in practice, in a timely manner, including by sorting, preparing, validating and transmitting it in accordance with the AEOI Standard

Rating: On Track

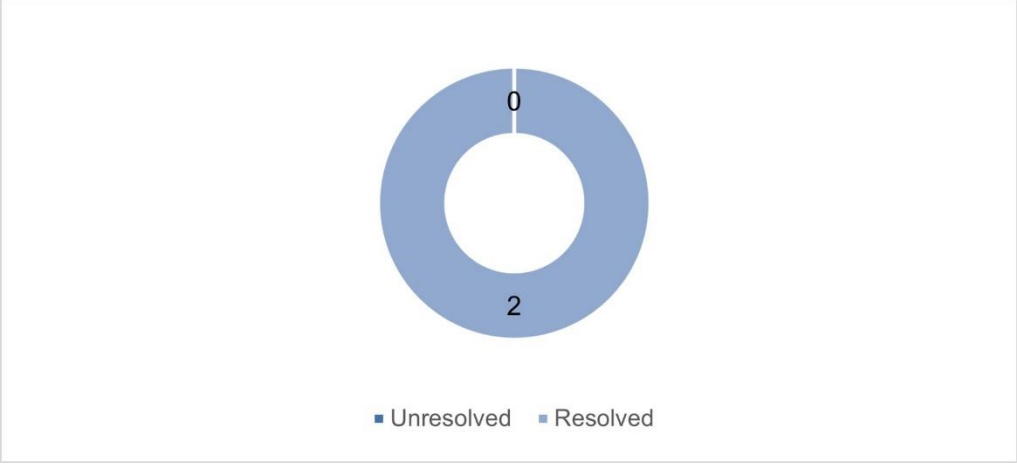
Kuwait's implementation of the AEOI Standard is on track with respect to exchanging the information effectively in practice, including in relation to sorting, preparing and validating the information (SR 2.4), correctly transmitting the information in a timely manner (SRs 2.5 – 2.8) and providing corrections, amendments or additions to the information (SR 2.9). Kuwait has shown improvement over time and is encouraged to continue its implementation process accordingly, to ensure its ongoing effectiveness.

SR 2.4 Jurisdictions should sort, prepare and validate the information in accordance with the CRS XML Schema and the associated requirements in the CRS XML Schema User Guide and the File Error and Correction-related validations in the Status Message User Guide (i.e. the 50000 and 80000 range).

Findings:

Two exchange partners highlighted particular issues with respect to preparation and format of the information sent by Kuwait (representing 4% of its partners). These generally related to partners experiencing download errors and failed digital signature validations with respect to the files submitted by Kuwait. More generally, one of Kuwait's exchange partners reported rejecting more than 25% of the files received, due to the technical requirements not being met. This has improved over time and is now broadly in line with the general experience of other jurisdictions. It was noted that Kuwait has already successfully addressed all of the issues.

Figure 1. Technical issues raised by Kuwait's exchange partners



Based on these findings it was concluded that Kuwait is fully meeting expectations in relation to sorting, preparing and validating the information. Kuwait is encouraged to continue its implementation process accordingly, to ensure its ongoing effectiveness.

Recommendations:

No recommendations made.

SR 2.5 Jurisdictions should agree and use, with each exchange partner, transmission methods that meet appropriate minimum standards to ensure the confidentiality and integrity of the data throughout the transmission, including its encryption to a minimum secure standard.

Findings:

In order to put in place an agreed transmission method that meets appropriate minimum standards in confidentiality, integrity of the data and encryption for use with each of its exchange partners, Kuwait linked to the Common Transmission System.

Based on these findings it was concluded that Kuwait is fully meeting expectations in relation to agreeing and using appropriate transmission methods with each of its partners. Kuwait is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

SR 2.6 Jurisdictions should carry out all exchanges annually within nine months of the end of the calendar year to which the information relates.

Findings:

One exchange partner highlighted delays in the sending of information by Kuwait. Furthermore, this partner stated that the information has still not been received. Kuwait has confirmed that it is aware of these issues and will soon be addressing the situation.

Based on these findings it was concluded that, overall, Kuwait is meeting expectations in relation to exchanging the information in a timely manner. It was also noted that there is room for improvement with respect to the timeliness of exchanges. Kuwait is encouraged to continue to ensure the ongoing effectiveness of its implementation, including in relation to the area highlighted.

Recommendations:

Kuwait should ensure it sends information to all of its exchange partners in a timely manner.

SR 2.7 Jurisdictions should send the information in accordance with the agreed transmission methods and encryption standards.

Findings:

Feedback from Kuwait's exchange partners did not raise any concerns with respect to Kuwait's use of the agreed transmission methods and therefore with Kuwait's implementation of this requirement.

Based on these findings it was concluded that Kuwait is fully meeting expectations in relation to sending the information in accordance with the agreed transmission methods and encryption standards. Kuwait is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

SR 2.8 Jurisdictions should have the systems in place to receive information and, once it has been received, should send a status message to the sending jurisdictions in accordance with the CRS Status Message XML Schema and the related User Guide.

It should be noted that, as Kuwait exchanges information on a non-reciprocal basis and does not therefore receive information, it is not required to have in place systems to receive the information and provide status messages. SR 2.8 has therefore not been assessed in this case.

Findings:

Not applicable.

Recommendations:

Not applicable.

SR 2.9 Jurisdictions should respond to a notification from an exchange partner as referred to in Section 4 of the Model CAA (which may include Status Messages) in accordance with the timelines set out in the Commentary to Section 4 of the Model CAA. In all other cases, jurisdictions should send corrected, amended or additional information received from a Reporting Financial Institution as soon as possible after it has been received.

Findings:

While it is unclear whether Kuwait's approach will ensure that corrected, amended or additional information is provided in a timely manner, it has not been tested and no such concerns were raised by Kuwait's exchange partners in previous years and therefore with respect to Kuwait's implementation of these requirements.

Based on these findings it was concluded that Kuwait appears to be meeting expectations in relation to responding to notifications from exchange partners and the sending of corrected, amended or additional information. Kuwait is encouraged to continue to ensure the ongoing effectiveness of its implementation.

Recommendations:

No recommendations made.

Assessed jurisdiction's comments on the assessment of effectiveness in practice

Kuwait expects to have the draft EOI law in place soon which will address the recommendations.

Latvia

Overall findings

Latvia's legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While Latvia's international legal framework to exchange the information with all of Latvia's Interested Appropriate Partners (CR2) is consistent with the requirements, its domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of elements of the AEOI Standard. Most significantly, Financial Institutions are not defined in accordance with the AEOI Standard.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place But **Needs Improvement**

Conclusions on the legal framework

General context

Latvia commenced exchanges under the AEOI Standard in 2017.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Latvia:

- amended the Law "On Taxes and Duties", amended it in 2020 and further amended it in 2023;
- introduced Regulation No. 20 "Procedures by which a Financial Institution Implements the Due Diligence Procedures for Financial Accounts and Provides Financial Accounts Information to the State Revenue Service" and amended it in 2021; and
- Relies on Section 275(1) of the Criminal Law.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2016. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete due diligence procedures on High Value Individual Accounts by 31 December 2016 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2017.

Following the initial Global Forum peer review, Latvia made amendments to its legislative framework to address issues identified, the last of which was effective from 4 July 2023.

With respect to the exchange of information under the AEOI Standard, Latvia:

- is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2017;
- has in place European Union Directive 2011/16/EU on Administrative Cooperation in the Field of Taxation, as amended by Directive 2014/107/EU;
- has in place agreements with five European third countries;[1] and
- put in place three bilateral agreements.[2]

Detailed findings

The detailed findings for Latvia are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place But **Needs Improvement**

Latvia's domestic legislative framework is in place and contains most of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the scope of Reporting Financial Institutions (SR 1.1) and the framework to enforce the requirements (SR 1.4). More specifically, Latvia's domestic legislative framework does not define the term Investment Entity in accordance with the requirements and broadly allows self-certifications to be obtained after account opening.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Latvia has defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, the definition of Investment Entity is not in accordance with the requirements. The scope of Reporting Financial Institutions is material to the proper functioning of the AEOI Standard.

Recommendations:

Latvia should amend its domestic legislative framework to require the term Investment Entity to be interpreted consistently with similar language defining "financial institution" in the Financial Action Task Force Recommendations.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Latvia has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Latvia has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Latvia has a legislative framework in place to enforce the requirements in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically,

Latvia's legislative framework allows self-certifications to be obtained after the opening of the account in circumstances beyond those that are permitted. The deficiency relates to a key element of the AEOI Standard and is therefore material to its proper functioning.

Recommendations:

Latvia should amend its domestic legislative framework to limit the circumstances when it is permissible to obtain a valid self-certification after the opening of a New Account in accordance with the requirements.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Latvia's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Latvia's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Latvia and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Latvia has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Latvia put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Latvia's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

Latvia has been working diligently to address recommendations received and has introduced strong measures to ensure that valid self-certifications are always obtained for new accounts. Although it is allowed to obtain a self-certification after the opening of the account, there are measures in place to ensure that it cannot be used to circumvent CRS requirements.

Notes

[1] Andorra, Liechtenstein, Monaco, San Marino and Switzerland.

[2] With Qatar, Singapore and Türkiye. Latvia has also activated relationships under the CRS MCAA with Qatar and Türkiye.

Uruguay

Overall findings

Uruguay's legal framework implementing the AEOI Standard is in place and is consistent with the requirements of the AEOI Terms of Reference. This includes Uruguay's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) and its international legal framework to exchange the information with all of Uruguay's Interested Appropriate Partners (CR2).

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Overall determination on the legal framework: In Place

Conclusions on the legal framework

General context

Uruguay commenced exchanges under the AEOI Standard in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Uruguay:

- amended Law Nº 19.484, which was further amended in 2022;
- enacted Decree 77/017, as amended by Decree Nº 243/2018 and Decree Nº 74/022;
- enacted DGI Resolution Nº 6396/2017 of 25 September, 2017;
- published Frequently Asked Questions, which are not legally binding; and
- made reference to Law 19.484 for purposes of the identification of Controlling Persons under the AEOI Standard.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2017 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2018.

Following the initial Global Forum peer review, Uruguay made various amendments to its legislative framework to address issues identified, the last of which was effective from 20 October 2022.

With respect to the exchange of information under the AEOI Standard, Uruguay is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Uruguay are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (see Annex B).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place

Uruguay's domestic legislative framework is in place and contains all of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (SRs 1.1 – 1.3). It also provides for a framework to enforce the requirements (SR 1.4).

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Uruguay has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Uruguay has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Uruguay has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Uruguay has a legislative framework in place to enforce the requirements in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Uruguay's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Uruguay's Interested Appropriate

Partners (i.e. all jurisdictions that are interested in receiving information from Uruguay and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Uruguay has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Uruguay put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

Uruguay's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

No comments made.

Annex A. Details of the exchange agreements in place

The table below presents information on the exchange agreements in place by the jurisdictions that have been newly assessed in relation to their legal frameworks they have in place with respect to the AEOI Standard. This includes agreements activated through multilateral frameworks (such as the CRS Multilateral Competent Authority Agreement or in a European Union context) as well as bilateral agreements.

For the latest information, please refer to the section on Activated Exchange Relationships for CRS Information on the AEOI Portal (www.oecd.org/tax/automatic-exchange).

Jurisdiction	Exchange agreements in place:
Albania (96)	Andorra, Anguilla, Antigua and Barbuda, Argentina, Australia, Austria, Azerbaijan, Barbados, Belgium, Bermuda, Brazil, British Virgin Islands, Brunei Darussalam, Bulgaria, Cayman Islands, Chile, China, Colombia, Cook Islands, Costa Rica, Croatia, Curaçao, Cyprus, Czechia, Denmark, Dominica, Ecuador, Estonia, Faroe Islands, Finland, France, Germany, Ghana, Gibraltar, Greece, Greenland, Grenada, Guernsey, Hong Kong, China, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Kazakhstan, Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Macau, China, Malaysia, Malta, Mauritius, Mexico, Monaco, Montserrat, Nauru, Netherlands, New Caledonia, New Zealand, Nigeria, Norway, Oman, Pakistan, Peru, Poland, Portugal, Romania, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Seychelles, Singapore, Sint Maarten, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Türkiye, Turks and Caicos Islands, United Arab Emirates, United Kingdom, Uruguay, Vanuatu.
Ecuador (98)	Albania, Andorra, Anguilla, Argentina, Aruba, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Bermuda, Brazil, British Virgin Islands, Brunei Darussalam, Bulgaria, Cayman Islands, Chile, China, Colombia, Cook Islands, Costa Rica, Croatia, Curaçao, Cyprus, Czechia, Denmark, Dominica, Estonia, Faroe Islands, Finland, France, Germany, Ghana, Gibraltar, Greece, Greenland, Guernsey, Hungary, Iceland, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Kazakhstan, Kenya, Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Macau, China, Malaysia, Maldives, Malta, Marshall Islands, Mexico, Monaco, Netherlands, New Caledonia, New Zealand, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Poland, Portugal, Qatar, Romania, Russia, Saint Kitts and Nevis, Saint Lucia, Samoa, San Marino, Saudi Arabia, Singapore, Sint Maarten, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Türkiye, Turks and Caicos Islands, United Arab Emirates, United Kingdom, Uruguay, Vanuatu.
Kazakhstan (80)	Albania, Anguilla, Argentina, Aruba, Australia, Austria, Azerbaijan, Belgium, Brazil, Brunei Darussalam, Bulgaria, Chile, China, Colombia, Cook Islands, Costa Rica, Croatia, Curaçao, Czechia, Denmark, Dominica, Ecuador, Estonia, Finland, France, Germany, Ghana, Gibraltar, Greece, Greenland, Guernsey, Hong Kong, China, Hungary, India, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Korea, Kuwait, Latvia, Liechtenstein, Luxembourg, Macau, China, Malaysia, Maldives, Malta, Netherlands, New Caledonia, New Zealand, Nigeria, Norway, Oman, Panama, Peru, Poland, Portugal, Romania, Russia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Türkiye, Turks and Caicos Islands, United Arab Emirates, United Kingdom, Uruguay, Vanuatu.

Annex B. The AEOI Terms of Reference

Below are the Core Requirements and Sub-Requirements of the AEOI Terms of Reference with respect to the implementation of the AEOI Standard.

CR1 Legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein

Defining Reporting Financial Institutions

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS, in particular by:

a) incorporating the definitions contained in paragraph A of Section VIII of the CRS into their domestic legislative framework; and

b) ensuring that any Financial Institution or category of Financial Institutions defined domestically as a Non-Reporting Financial Institution meets the requirements for its status as a Non-Reporting Financial Institution as set out in paragraph B of Section VIII of the CRS.

Defining the Financial Accounts to be reported and incorporating the due diligence procedures to identify them

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them, in particular by:

a) incorporating the definitions contained in subparagraphs C. 1 to 16, and paragraphs D and E of Section VIII of the CRS into their domestic legislative framework.

b) defining New Accounts as those opened from the first day of the calendar year (or other appropriate reporting period) prior to the year of first exchange and Preexisting Accounts as those that are open on the last day of the preceding calendar year (or other appropriate reporting period).

c) incorporating the due diligence procedures contained in Sections II to VII of the CRS into their domestic legislative framework.[1]

d) ensuring that any Financial Account or category of Financial Accounts defined in their domestic legislative framework as an Excluded Account meets the requirements for its status as an Excluded Account as set out in subparagraph C. 17 of Section VIII of the CRS.

Reporting the information

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.[2]

Enforcement

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice, including through rules to:

a) prevent Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the due diligence and reporting procedures;

b) require Reporting Financial Institutions to keep records of the steps undertaken and any evidence relied upon for the due diligence procedures for at least five years following the end of the period within which the Reporting Financial Institution must report the information required to be reported under Section I of the CRS;

c) ensure that valid self-certifications are always obtained for New Accounts; and

d) address non-compliance with the requirements of the CRS.

CR1 Effectiveness in practice: Jurisdictions should ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures, which includes a requirement for jurisdictions to have in place an administrative framework to ensure the effective implementation of the CRS

Ensuring effectiveness domestically

SR 1.5 Jurisdictions should ensure that in practice Reporting Financial Institutions identify the Financial Accounts they maintain, identify the Reportable Accounts among those Financial Accounts, as well as their Account Holders, and where relevant Controlling Persons, by correctly conducting the due diligence procedures and collect and report the required information with respect to each Reportable Account. This includes having in place:

a) an effective administrative compliance framework to ensure the effective implementation of, and compliance with, the CRS. This framework should:

   i. be based on a strategy that facilitates compliance by Reporting Financial Institutions and which is informed by a risk assessment in respect of the effective implementation of the CRS that takes into account relevant information sources (including third party sources);

   ii. include procedures to ensure that Financial Institutions correctly apply the definitions of Reporting Financial Institutions and Non-Reporting Financial Institutions;

   iii. include procedures to periodically verify Reporting Financial Institutions' compliance,[3] conducted by authorities that have adequate powers with respect to the reviewed Reporting Financial Institutions, with procedures to access the records they maintain;[4] and

b) effective procedures to ensure that Financial Institutions, persons or intermediaries do not circumvent the due diligence and reporting procedures;

c) effective enforcement mechanisms to address non-compliance by Reporting Financial Institutions;

d) strong measures to ensure that valid self-certifications are always obtained for New Accounts;[5]

e) effective procedures to ensure that each, or each type of, jurisdiction-specific Non-Reporting Financial Institution and Excluded Account continue to present a low risk of being used to evade tax;[6] and

f) effective procedures to follow up with a Reporting Financial Institution when undocumented accounts are reported in order to establish the reasons why such information is being reported.[7]

International collaboration to ensure effectiveness

SR 1.6 Jurisdictions should collaborate on compliance and enforcement. This requires jurisdictions to:

a) use all appropriate measures available under the jurisdiction's domestic law to address errors or non-compliance notified to the jurisdiction by an exchange partner;[8] and

b) have in place effective procedures to notify an exchange partner of errors that may have led to incomplete or incorrect information reporting or non-compliance with the due diligence or reporting procedures by a Reporting Financial Institution in the jurisdiction of the exchange partner.[9]

CR2 Legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA

Putting in place the exchange agreements on time

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.[10]

The contents of the agreements

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA,[11] including with respect to:

a) the categories of information to be exchanged;[12]

b) the timing of the exchange of information;[13]

c) the notifying of an exchange partner when the jurisdiction has reason to believe that an error may have led to incomplete or incorrect information reporting or there is non-compliance with the due diligence or reporting procedures by a Reporting Financial Institution, located in the exchange partner;[14] and

d) taking all appropriate measures available under the jurisdiction's domestic law to address errors or non-compliance notified to it.[15]

CR2 Effectiveness in practice: Jurisdictions should exchange the information effectively in practice, in a timely manner, including by sorting, preparing, validating and transmitting it in accordance with the AEOI Standard

Preparing and validating the information

SR 2.4 Jurisdictions should sort, prepare and validate the information in accordance with the CRS XML Schema and the associated requirements in the CRS XML Schema User Guide[16] and the File Error and Correction-related validations in the Status Message User Guide (i.e. the 50000 and 80000 range).[17]

Transmitting the information

SR 2.5 Jurisdictions should agree and use, with each exchange partner, transmission methods that meet appropriate minimum standards to ensure the confidentiality and integrity of the data throughout the transmission, including its encryption to a minimum secure standard.[18]

SR 2.6 Jurisdictions should carry out all exchanges annually within nine months of the end of the calendar year to which the information relates.[19]

SR 2.7 Jurisdictions should send the information in accordance with the agreed transmission methods and encryption standards.[20]

SR 2.8 Jurisdictions should have the systems in place to receive information and, once it has been received, should send a status message to the sending jurisdictions in accordance with the CRS Status Message XML Schema and the related User Guide.

Providing corrections, amendments or additions

SR 2.9 Jurisdictions should respond to a notification from an exchange partner as referred to in Section 4 of the Model CAA (which may include Status Messages) in accordance with the timelines set out in the Commentary to Section 4 of the Model CAA. In all other cases, jurisdictions should send corrected, amended or additional information received from a Reporting Financial Institution as soon as possible after it has been received.[21]

CR3: Jurisdictions should keep the information exchanged confidential and properly safeguarded, and use it in accordance with the exchange agreement under which it was exchanged SR

SR 3.1 Jurisdictions should meet the confidentiality and data safeguard requirements, including on the use of the information, referred to in Section 5 of the Model CAA to be able to receive information under the AEOI Standard.

Notes

1 Sections II to VII of the CRS set out the General Due Diligence Requirements, the Due Diligence for Preexisting Individual Accounts, the Due Diligence for New Individual Accounts, the Due Diligence for Preexisting Entity Accounts, the Due Diligence for New Entity Accounts, the Special Due Diligence Rules and the Defined Terms respectively. Paragraphs D and E of 3 Section VIII of the CRS set out the definitions relevant to the due diligence procedures.

2 Section I of the CRS sets out the General Reporting Requirements, specifying the information that must be reported with respect to each Reportable Account.

3 Paragraph A. 3 of Section IX of the CRS

4 Paragraph A. 2 of Section IX of the CRS

5 Paragraph 18 of the Commentary on Section IX of the CRS

6 Paragraph A. 4 of Section IX of the CRS

7 Paragraph A. 3 of Section IX of the CRS

8 Section 4 of the Model CAA

9 Section 4 of the Model CAA

10 Exchange agreements are expected to be put in place in time for exchanges from the date committed to unless the expression of interest indicates a later date for the commencement of exchanges or the expression of interest is not received in time. Whether the expression of interest is received in time for exchanges to commence in a particular year will depend on the specific circumstances, including the approach to the implementation of the AEOI Standard taken by the potential exchange partners.

11 Note that the agreements can take various forms. What is key is that both exchange partners are satisfied that the arrangement in place delivers the outcomes specified in the requirements.

12 Section 2 of the Model CAA

13 Section 3 of the Model CAA

14 Section 4 of the Model CAA

15 Section 4 of the Model CAA

16 Paragraph 5 of Section 3 of the Model CAA

17 If using the Common Transmission System, the information should be prepared in accordance with the File Preparation and Encryption User Guide.

18 Paragraph 6 of Section 3 of the Model CAA and the File Preparation and Encryption User Guide

19 Paragraph 3 of Section 3 of the Model CAA also states that information is only required to be exchanged with respect to a calendar year if both jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange required (Section 2 of the Model CAA) and the reporting and due diligence procedures contained in the CRS.

20 Paragraph 6 of Section 3 of the Model CAA and the File Preparation and Encryption User Guide

21 Commentary on Section 2 of the Model CAA

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review of the Automatic Exchange of Financial Account Information 2023 Update

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 160 jurisdictions participate on an equal footing. The Global Forum monitors and peer reviews the implementation of the international standards of Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI).

AEOI provides for the automatic exchange of a predefined set of financial account information between tax authorities on an annual basis to assist them in ensuring the correct amount of tax is paid. To ensure the AEOI standard is fully effective, the Global Forum carries out a review of each jurisdiction's domestic and international legal frameworks to ensure they are complete, as well as a review of the effectiveness of their implementation of the standard in practice.

This report presents the latest conclusions of the peer reviews of the legal frameworks put in place by jurisdictions to implement the AEOI standard and two new initial effectiveness reviews. It supplements and builds upon the assessments of the legal frameworks and the initial reviews of the effectiveness of their implementation in practice published in 2022, for around 100 jurisdictions that were the first to commit to commence AEOI.

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