

AUTOMATIC EXCHANGE OF INFORMATION

49th SGATAR Annual Meeting

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Agenda

- Status of CRS implementation of Chinese Taipei
- Ensuring RFI's effectively and correctly implementing the CRS
- Ensuring the effectiveness of the exchanges
- Difficulties and relevant solutions
- Confidentiality and data safeguards
- Next step

Status of CRS implementation of Chinese Taipei

❑ Domestic legal basis

- The amendment to Article 5-1 of the “Tax Collection Act” (Promulgated on June 14, 2017)
- “Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions” (Promulgated on November 16, 2017)
- “Regulations Governing the Exchange of Tax Information Concerning Agreements on Tax Matters” (Promulgated on December 7, 2017)

Status of CRS implementation of Chinese Taipei

□ Timeframe

- Reporting Financial Institutions (RFIs) perform due diligence from 2019
- RFI's first reporting to tax authorities in June 2020
- Competent authority carries out first automatic exchange with treaty partners in September 2020

Ensuring RFI effectively and correctly implementing the CRS

- Ensuring defined Non-Reporting Financial Institutions and Excluded Accounts being in compliance with the CRS requirements
- Designing checking and examining mechanisms to inspect whether RFI follow required due diligence procedures
- Imposing a fine if a RFI fails to submit required financial account information or perform required due diligence

Ensuring the effectiveness of the exchanges

- ❑ Building our own AEOI system – for domestic reporting and international exchanges
- ❑ Domestic reporting
 - Pre-registration system and early upload testing
 - Online reporting limited to XML format, reducing manual filing or file conversion errors
 - Providing verification tools to reduce the occurrence of incorrect files

Ensuring the effectiveness of the exchanges

☐ International exchanges

- Completing the AEOI system and announcing the exchange process as early as possible
- Re-verification and sending a status message back to other Contracting Parties

Difficulties and relevant solutions

❑ Difficulties

- Invalid digital certificates of other Contracting Parties

❑ Solutions

- Verifying certificate validity periods and other legalities when the certificate is uploaded
- Checking the validity periods when the encryption/decryption software was used
 - When a certificate expires, a message will be sent to remind other Contracting Parties to update it

Difficulties and relevant solutions

□ Difficulties

- Inconsistent quality of reported data from RFIs and the incomplete or incorrect information exchanged from other Contracting Parties

□ Solutions

- Setting up a specialized consultation window and holding public conferences for RFIs
- Requiring RFIs to correct the wrong data in real time and conducting written or on-site inspections of the reported data
- For missing or incorrect TINs, using transliteration of the names and dates of birth supplemented with their addresses to analyze and check the identities
- Requesting assistance from other Contracting Parties and using the feedback mechanism



Confidentiality and data safeguards

- Provisions in tax agreements
- Domestic regulations
- Personnel management and training
- Access control to premises
- Management of security information systems
- Monitoring and enforcement

Next step

- Expanding our treaty network
- Actively participating in international conferences and seminars
- Upgrading the usage of financial account information
- Increasing information transparency to combat tax evasion and avoidance

Thank You

