



# CRS: The most important facts at a glance

The Common Reporting Standard Act (Gemeinsamer Meldstandard Gesetz; GMSG) has been in force since 1 January 2016. This law implements Council Directive 2014/107/EU on the exchange of financial account information in Austria. The directive is based on the OECD Standard for the Automatic Exchange of Financial Account Information, known as the Common Reporting Standard (CRS). The purpose of the CRS is to enable the automatic exchange of information between participating countries and thereby ensure tax compliance for individuals who are resident for tax purposes in CRS countries and hold assets abroad.

## How will CRS affect me?

This legal requirement obliges all Austrian financial institutions to obtain a CRS-self certification from every customer. The purpose is to document the customer's tax residence(s) and, for customers resident or domiciled in CRS countries, the corresponding Taxpayer Identification Number(s) (TINs). This enables the institution to determine whether, and to which CRS jurisdiction, an account or transaction must be reported. This ensures that reports are submitted only to jurisdictions in which the customer is actually resident for tax purposes.

## Which data are reported?

### Information on the account holder:

- Name and address
- Country/countries of residence
- Tax Identification Number (=TIN)
- Date and place of birth
- Validity status of the CRS self certification

For passive entities:

- Reportable data and the role(s) of the controlling person(s) and their CRS self certification status

### Account information:

- Account and securities account number(s)
- Account balance(s) and securities account value(s) at the end of the relevant calendar year or reporting period
- Gross income and revenue
- Type of account (e.g. deposit account or custody account)
- Account status (new or pre-existing account)
- Number of account holders in the case of joint accounts

Annual mandatory CRS reporting applies to all customers — individuals, legal entities, and controlling persons of passive entities — who are determined to be resident for tax purposes in a CRS-participating jurisdiction. The countries with which Austria exchanges data are determined annually by a regulation pursuant to § 91 item 2 GMSG, which lists the participating jurisdictions.

Customers are required to provide all necessary information completely, correctly, and in a timely manner, and to report any changes (such as a change of address to another country) within 90 days and submit an updated CRS self certification. The loss of tax residency in a country must be documented (e.g. de-registration certificate); otherwise, CRS reporting obligations continue.

For passive entities, an updated declaration of beneficial ownership must also be submitted if there are changes in controlling persons.

Non compliance may result in an administrative penalty of up to EUR 5,000.

## What exactly is meant by gross income and revenue?

Since the tax rules of participating countries differ, it is important to understand the meaning of the reported amounts. CRS reporting distinguishes between three categories:

- **Payment Type CRS501: Total gross amount of interest** earned on the assets held in the "account" and paid into or credited to the account (or in relation to the account) during the calendar year.
- **Payment Type CRS502: Total gross amount of dividends** earned on the assets held in the "account" and paid into or credited to the account (or in relation to the account) during the calendar year.
- **Payment Type CRS503: Total gross proceeds from the sale or redemption of financial assets** that were paid into, or credited to, the account during the calendar year. In practice, this particularly covers sales, repayments/redemptions, fund repurchases, corporate actions, and similar transactions<sup>i</sup>. It is irrelevant whether a gain was realized during the period the asset was held or whether the transaction is taxable in the jurisdiction of residence (cf. Sec. I marginal no. 17, CRS Commentary).

**NOTE 1:** Customers have the right to request information on the personal data reported under CRS in accordance with Article 15 GDPR.

**NOTE 2:** Tax residency is determined according to the local regulations of the relevant jurisdiction and generally results in unlimited tax liability. Indicators include primary residence, habitual abode, or — in the case of legal entities — the registered office or place of effective management. In case of doubt, a tax advisor should be consulted.