

Implementation of OECD Common Reporting Standard



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Corporate Tax, Cyprus

In December 2015 the Ministry of Finance issued a decree implementing the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard and the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information.

The decree, which took effect on January 1 2016, sets out the framework for financial institutions operating in Cyprus to collect and review information from their customers and investors regarding tax residence, and to forward prescribed information to the national tax authorities for disclosure to relevant overseas tax authorities.

The decree:

- sets out the main rules regarding client acceptance, due diligence and reporting;
- defines the scope of the Common Reporting Standard in terms of entities and products; and
- sets out the reporting deadlines and penalties for breach.

Financial institutions are required to obtain the tax residence and tax identification number of all new customers. In respect of existing individual account holders, financial institutions may rely on the account holder's recorded residential address for the purposes of determining tax residence and reporting status. The deadline for reporting information to the Cyprus tax authorities is June 30 of the year following the calendar year to which the information relates.

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