

» CRS: The most important facts at a glance

The Common Reporting Standard Act (Gemeinsamer Meldestandard-Gesetz; GMSG) has been in force since 1 January 2016. This law is the Austrian implementation of Council Directive 2014/107/EU, an EU directive on the exchange of financial information that originated in the OECD standard for the automatic exchange of financial information, the Common Reporting Standard (CRS). The goal of the Common Reporting Standard is to establish the exchange of information between the participating countries and thus ensure the tax compliance of persons who are resident for tax purposes in CRS countries and own assets abroad.

How will CRS affect me?

This legal regulation requires all Austrian financial institutions to obtain self-certification from all customers in order to document the tax residence and the corresponding Taxpayer Identification Number(s) for customers residing or domiciled in CRS countries together and thus to determine whether and in which CRS country a transaction/account must be reported. This makes it possible to ensure that reports are only submitted to countries in which the customer is 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

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

The annual reporting pertains to all customers (natural persons, legal entities, and controlling persons in the case of passive entities) who are resident for tax purposes in a country that participates in the CRS.

The countries with which Austria exchanges data are determined annually by way of an ordinance. (See: Informationen des Bundesministeriums für Finanzen/Liste der teilnehmenden Staaten im RIS: § 91 Z 2 GMSG – Information of the Federal Minister of Finance/List of Participating Countries in RIS: § 91 Z 2 GMSG)

What exactly is meant by gross income and revenue?

As the tax rules of all participating countries may differ, it is important to understand what the individually reported amounts mean. The report is divided into 3 subcategories:

- **Payment Type CRS501: Total gross amount of interest** earned by means of the assets held in the “account” and respectively paid into or credited to the account (or in respect of the account) during the calendar year
- **Payment Type CRS502: Total gross amount of dividends** earned by means of the assets held in the “account” and respectively paid into or credited to the account (or in respect of the account) during the calendar year
- **Payment Type CRS503: Total gross proceeds from the sale or repurchase of financial assets** paid into, or credited to the account during the calendar year

In practice, sales, redemptions, repurchases of funds, corporate actions and similar transactions are reported as Payment Type 503, regardless of whether profits were made over the entire term.ⁱ

In the case of „sale or repurchase“, it is irrelevant whether the owner of the financial assets is subject to tax with this transaction. (See: Sec. I Rz 17 CRS Comment).

Tip: Be sure to keep your account documents and receipts relating to your assessments. As a taxpayer, you must be able to provide information to your tax office and keep the relevant documentation and make it available if necessary.ⁱⁱ

Tip: We offer our customers a reporting service for the following countries: Germany, Italy, Hungary, Croatia, and Slovenia. The service includes an annual income statement that clearly shows all important information about your securities income. If you have any questions about the reporting service, please contact your account manager.