

CRS (Common Reporting Standard)

What is CRS?

The Common Reporting Standard (hereafter CRS”) is a regulation developed by the OECD, the objective of which is tax transparency which will lead to an automatic exchange of information between the States having adopted the CRS (95 jurisdictions including Luxembourg, as of August 30,2017)

Within the European Union, the automatic and compulsory exchange of financial information has been integrated into the legislative framework by the adoption of Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the tax area.

For more information, please visit the <https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

The scope of the CRS

The CRS regulations apply to all financial institutions located in a jurisdiction that has implemented the CRS and obliges these institutions to identify whether their customers are reportable. The CRS applies to both natural and legal persons.

In order to identify residents of a CRS jurisdiction, financial institutions must obtain self-certifications from account holders. Among the information that must be contained in these self-certifications are the State(s) of [tax residence](#), as well as the TIN Number (https://ec.europa.eu/taxation_customs/tin/#/tin-country)

CRS in Luxembourg

On 29 October 2014, Luxembourg has signed a multilateral agreement, which establishes an automatic exchange of tax information between the tax departments of the different partner jurisdictions.

On 18 December 2015, Luxembourg has adopted the law with regard to mandatory automatic exchange of information in the field of taxation, under which Luxembourg's financial institutions is required to identify bank accounts to be communicated on the basis of residency indicia as follows:

- an address (for tax purposes, legal or postal) within a CRS jurisdiction;

- a telephone number in a CRS jurisdiction (provided there is no Luxembourg telephone number);
- a power of attorney or signatory authority granted, on the account, to a person having an address in a CRS jurisdiction;
- a standing instruction (other than with respect to a deposit account) to transfer funds to an account maintained by a financial institution in a CRS jurisdiction.
- a "hold mail" instruction or "in care of" address.

On 16 May 2023, the Luxembourg Parliament adopted a law (the "Law") which implements Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation ("DAC 7").

The Law contains several provisions that complement and extend existing domestic rules on tax transparency and exchange of information. These include:

- Introduction of new rules on mandatory automatic exchange of information reported by digital platform operators.
- Introduction of automatic and mandatory exchange of information on persons resident in other Member States with respect to their ownership of real estate assets (exchange to cover information on taxable periods from 1 January 2025).
- Introduction of a framework for conducting joint audits with other Member States.
- Clarification of the scope and mechanism of the exchange of information between tax authorities of different Member States via, *inter alia*, the definition of the concept of "foreseeable relevance" and clarification as regards requests about a group of taxpayers who cannot be individually identified.
- Clarification of the data protection obligations imposed on Luxembourg reporting financial institutions by the amended Luxembourg law of 18 December 2015 implementing the Common Reporting Standard (CRS), along with introduction of data protection obligations for Luxembourg reporting intermediaries under the Luxembourg law of 25 March 2020 implementing Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC 6).

CRS at BPER Bank

In this context, CRS obliges **BPER Bank** to:

1. identify the tax residents of its clients (in particular with the Tax Identification Number (TIN)) based on the information in its possession and to report information that concerns them - to the competent Luxembourg tax authority – Administration des Contributions Directes (“ACD”). The latter shall in turn undertake to transfer, to the competent authorities for the country of residence of the person making a declaration, information with regard to:
 - A) The identity (Last name, First Name, Address, date and place of birth and TIN)
 - B) Identification of accounts held (accounts number) and their balance as of December 31 of the reporting year;
 - C) Financial income, including sales proceeds received during the year reported.

The effects of CRS on BPER customers

For new customers BPER BANK must therefore, on behalf of the account holders and beneficial owners of certain entities for which one (or more) indicia may have been detected, obtain a self-certification form resuming their country/ies of residence for tax purposes as well as their tax identification number(s).

For customers who already have an account and in accordance with regulatory obligations, BPER Bank will require self-certification showing the customer’s tax residence and tax identification number. In the absence of any response (confirmation/objection) from them, BPER Bank is legally obliged to report their information to any partner jurisdictions for which residence indicia have been found.

[Tax self-certification forms](#) (CRS & FATCA)

For any other questions with regard to the identification of your tax resident status, please contact your tax adviser or the competent tax authority.