

Revenue Guide to Automatic Exchange of Information (AEOI) for Financial Account Holders

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Executive Summary

The purpose of this manual is to present relevant information on AEOI for Financial Account holders who may be affected by AEOI.

1 What is AEOI?

AEOI refers to the automatic exchange of information between tax authorities. The information exchanged includes financial account information and covers a number of initiatives such as the Foreign Account Tax Compliance Act (FATCA) with the US, the Common Reporting Standard (CRS) developed by the OECD for exchange with countries outside of the EU and the revised Directive on Administrative Co-operation (DAC2) with EU Member States.

2 Who does it affect?

AEOI mainly affects individuals and entities including companies, trusts, etc. that are not tax resident in Ireland and who hold accounts in Financial Institutions in Ireland. Revenue requires Irish Financial Institutions to identify Account Holders (both individuals and entities) who are not tax resident in Ireland, or are US citizens and report certain financial information to Revenue. Once received by Revenue, the information may be exchanged with the tax authority of the jurisdiction in which the Account Holder is tax resident. The identification procedures apply to both accounts currently in existence and accounts which will be opened in the future. In order to comply with AEOI obligations, all individuals or entities opening a financial account will be required to advise the Financial Institution of where they are tax resident, and if they are a US citizen.

3 How does it work

The first step in AEOI relates to the collection of the information to be exchanged. Financial Institutions are required to carry out specific steps to firstly identify individuals or entities which should be reported and secondly report the information securely to Revenue. Once Revenue has received the information from a Financial Institution, Revenue will then exchange the information with the tax authority of the jurisdiction in which the individual or entity is tax resident. In the case of FATCA, if a person is a US citizen, their information is exchanged with the US.

Revenue will only exchange information with jurisdictions with which there is a legal basis to do so and where data security assessments have been satisfied.

4 What type of Financial Institutions and accounts are covered by AEOI?

The definition of Financial Institution is quite broad and covers a number of different types of Irish institutions such as banks, credit unions, investment entities which trade in money market instruments or invest, administer or manage funds or money on behalf of other persons, trusts, investment limited partnerships and certain types of insurance companies that have cash value products or annuities.

The account types include Deposit Accounts, Custodial Accounts, certain types of Investment Accounts and Insurance Contracts and Annuities Contracts.

5 I am an Irish resident, how does AEOI affect me?

In order to accurately determine the residence of an individual or entity, an Irish tax resident may be asked to “self certify” the jurisdiction in which they are tax resident, or if they are a US citizen. Certain types of entities will also be required to obtain Self-Certifications from their Controlling Persons. This will all allow the Financial Institution to confirm your tax residence and whether your account is a reportable account. If you hold financial accounts with institutions in a jurisdiction other than Ireland, and that jurisdiction is also implementing a form of AEOI, the tax authority of that jurisdiction may exchange your financial account information with the Revenue Commissioners in Ireland.

6 What is a Controlling Person?

A Controlling Person is defined as a natural person who exercises control over an entity. For example, in the case of a trust some of the controlling persons would be the settlor, the trustee, the protector and the beneficiaries.

7 What should I do when asked for this information?

As Financial Institutions are legally obliged to report information on non-resident Account Holders to Revenue, you should complete a Self-Certification or provide confirmation of your tax residency when requested which will allow the Financial Institution to report accurately.

8 What type of information will a Financial Institution report to Revenue?

Depending on the initiative, Financial Institutions are required to report certain Account Holder information to Revenue which may include some or all of the following:

- The name, address, foreign Tax Identification Number (TIN)¹, date of birth, place of birth (where present in the records of the Financial Institution) and the Financial Account number.
- The account balance or value at year end.
- Payments made with respect to the account during the calendar year.

Only information that is legally required to be reported to Revenue will be included on the return, and Revenue will only exchange that information with another jurisdiction where there is a legal agreement to do so.

9 What will the foreign tax authorities use the information for?

The use of information received by tax authorities via AEOI is restricted under the terms of exchange agreements and administrations are required to treat the information in the same manner as if it was received by the tax authority under their domestic laws.

The information exchanged can only be used for tax purposes such as the collection and assessment of tax and disclosed to persons or authorities such as courts or administrative bodies concerned with these functions. Tax authorities are also required to ensure appropriate safeguards are place to ensure information received pursuant to the agreements remains confidential.

10 Data confidentiality

Financial Institutions who request your information solely for the purposes of reporting under AEOI are not allowed to use the information for any other purposes. The information can only be processed for the purposes of fulfilling their legal obligations under AEOI and Financial Institutions are only allowed to provide Revenue with the information as specified in the relevant legislation. If you have concerns about your data, you can contact the data controller in your Financial Institution, the AEOI branch in Revenue or the Data Protection Commissioner.

11 Can I open a new account without giving this information?

Financial Institutions are legally obliged to obtain specific information from Account Holders when accounts are being opened. If this information is not provided, a Financial Institution is not in a position to open an account.

¹ oecd.org

12 What if I have a Pre-existing account?

A Pre-existing account for FATCA is an account that was opened on or before 30 June 2014, while a Pre-existing account for CRS is an account that was opened prior to 1 January 2016 and in these circumstances the Financial Institution will review the information they have on file relating to you. However, the Financial Institution may also contact you for further information, or to verify the information held by them. You may also be asked to “self certify” the jurisdiction in which you are tax resident, or if you are a US citizen.

13 How do I know where I’m tax resident?

In general tax residence is the place which an individual lives and pays tax, however in some circumstances such as where an individual lives and works in different jurisdictions, it may be unclear. Details of [tax residency rules in various jurisdictions](#) are available on the OECD website. If you are unsure as to your tax residence, you should contact your local tax office.

14 What documentation should I provide to a Financial Institution to verify that I am a non-US citizen?

All of the following documents should be provided to a Financial Institution:

- A completed FATCA self-certification form showing that you are neither a US citizen or a US resident for tax purposes.
- A non US Passport.
- A copy of a Certificate of Loss of Nationality of the US, or a reasonable explanation, or the reason you do not have such a certificate, or the reason you did not obtain US citizenship at birth.

15 Would a Certificate of Loss of Nationality be available in circumstances where an Account Holder has surrendered their passport for reasons of dual nationality?

If an Account Holder has surrendered their passport for reasons of dual nationality, a Certificate of Loss of Nationality is the document that is issued to individuals when they renounce their US citizenship and relinquish their passport, and so a certificate should be available in these circumstances.

16 Circumstances in which an Account Holder would not hold a Certificate of Loss of Nationality

In some circumstances a Certificate of Loss of Nationality of the US would not be available to an individual. For example, the issuing of Loss of Nationality Certificates did not become common practice until the late 1950’s, therefore the non-holding of a certificate prior to this time would be considered a reasonable explanation as to why would you not hold a valid Certificate and you could be considered a non-US person without producing the Certificate in these circumstances.

17 Further information on the Internal Revenue Service (IRS) “Relief Procedures for Certain Former Citizens”

As a result of FATCA, a considerable number of EU residents have realised that they qualify as US persons under US national law. Their citizenship may have been acquired as a result of birth in the United States (jus soli) or birth abroad to a US citizen parent (jus sanguinis). The phrase “accidental Americans” has been used to describe these persons by some in the industry.

Irish Financial Institutions must identify “Specified US Persons” via the due diligence procedures, set out in the FATCA Intergovernmental Agreement. “Specified US Persons” includes all US citizens or resident individuals.

In September 2019, the Internal Revenue Service (IRS) announced new “Relief Procedures for Certain Former Citizens”, which will allow certain former citizens to renounce or otherwise relinquish their citizenship. US citizens who avail of these new procedures, will no longer need to be reported by Irish Financial Institutions, under FATCA, to the United States.

Further details of the “[Relief Procedures for Certain Former Citizens](#)” are available from the IRS. Revenue is unable to comment or provide guidance on these procedures, or on the subject of United States citizenship.

18 Where should I go for more information?

If you have a query that relates to an account held in a Financial Institution, then you should contact that Financial Institution and they can provide you with details of their nominated information officer.

Revenue can be contacted via [MyEnquiries](#) on ROS.