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Banks in China Now Exchange Client Data Internationally

As of January 2018, banks in China and Hong Kong have begun sharing customer data with banking and tax authorities in more than 100 other countries. China has joined with other countries who have been cooperating with the data exchange program since its inception in 2014 and the years following.

In short, the program is a method of providing a **Common Reporting Standard (CRS)** for the transparency of persons or businesses holding financial accounts in multiple countries. The purpose is to provide an international defense against tax evasion.

At this point, the information exchanged annually includes each Reportable Person's name, address, taxpayer ID number, date of birth, place of birth, account numbers, account balances, and where the client pays taxes.

The program was developed and initiated in 2014 but the **Organization for Economic Co-operation and Development (OECD)**. Prior to 2014, participation in the exchange of this information was available only by request. Fifty-one countries were original signatories of the **Multilateral Competent Authority Agreement** to automatically exchange information at the end of an agreed-upon reporting period, typically the end of a calendar year.

The **Automatic Exchange of Information (AEOI)** is considered "today's most stringent system of tax inspection." Every country in which a person has a bank account participates in mutual and automatic exchange of personal tax information to determine in which countries a person should be taxed.

Certain individuals, depending on their native country, their country of residence, or countries where they do business may be liable for taxes in multiple countries. This practice is called being identified as a "tax resident."

The scheme is intended to "provide timely information on non-compliance where tax has been evaded whether on an investment return or the underlying capital sum," including "help detect cases of non-compliance even where tax administrations have had no previous indications of non-compliance."

Financial institutions are required to report data from Depository Accounts, Custodial Accounts, Cash Value Insurance Contracts, Annuities, among other items.

Investors, business people, and foreign nationals should be aware of these changes and if appropriate seek additional information and advice. American Corporate Services, Inc. is available to assist and respond to your questions. Contact us at www.usa-ac.com for more information.

As always, we welcome your input and discussions about immigration on our LinkedIn group: Business and Immigration News & Views <https://www.linkedin.com/groups/8140530>

Dr. Gregory Finkelson's book, *Moving Your Family to America – A Simple Guide to Business and Investment Immigration* is now available on Amazon. Click on the link to order your copy now: www.Biz-Visa-USA.com.

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Meta Description: China has joined with more than 100 other countries to cooperate under the Common Reporting Standard and Automatic Exchange of Information agreements to share account-holder data with financial entities in those countries.

Keywords: Common Reporting Standard, Automatic Exchange of Information, Organization for Economic Co-operation and Development, Multilateral Competent Authority Agreement, tax resident, CRS, AEOI, OECD.