

Operational Tax News

Get familiar with FATCA & CRS latest changes before June 30th

6 May 2021

The regulatory framework around the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) is constantly evolving, brought about by the political pressure exerted by the different Member States that are enhancing their controls on financial institutions' reporting framework. Based on the increasing number of requests received by the tax authorities, we observe that being compliant remains a real concern.

The deadline to submit both FATCA and CRS reports for 2020 is the 30 June 2021 and new changes have been introduced this year—and are sure to create challenges within the industry.

What's new in 2021?

The Luxembourg Law of 18 June 2020 amended the Law of 24 July 2015 on FATCA and the Law of 18 December 2015 on the CRS. This introduced or updated some key FATCA and CRS requirements, such as:

- The obligation to document controls, the principle of data limitation, the power of investigation of the Luxembourg tax authorities, and sanctions in case of non-compliance;
- Plus, a new CRS NIL obligation: From 2021, a CRS NIL report must be submitted to the Luxembourg tax authorities even if there are no account holders to report. The same NIL report obligation is already existing under FATCA.

Why Deloitte Solutions?

Given the potential burden of these new requirements and the increased number of required controls by all jurisdictions, outsourcing your reporting obligations to Deloitte will reduce your risk while creating savings. At Deloitte we can perform the following actions:

- FATCA & CRS reports production based on your data: *No need for you to maintain specialized software and internal BA/IT capabilities for these reports;*
- Technical submission to the tax authorities: *No need for you to subscribe to such a service, monitor submission, decrypt feedbacks, or deal with potential next steps;*



- Management of the corrective reports: *No need for you to implement such a mechanism in case of potential feedback from foreign tax authorities on the data exchanged.*

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Deloitte Solutions' team has developed a strong skillset on qualified intermediary, FATCA, and CRS reporting regimes and is able to deliver the best quality to your financial institution.

Being part of Deloitte allows us to provide you with the relevant expertise together with direct contacts to the tax authorities both in Luxembourg and abroad by leveraging our local offices.

If you are interested in obtaining more information, it would be a pleasure for us to organize a conference call and/or provide you with more information by email.

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