



# Directive 2014/107/EU

## What?

[Council Directive 2014/107/EU](#) requires EU Member States to obtain information from their financial institutions and exchange that information with the Member State of residence of the taxpayer on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as the procedures to be followed by financial institutions.

This Directive is closely based on the new international standard on automatic exchange of financial account information (the Common Reporting Standard or CRS) as endorsed by the G20 in September 2014.

## Why?

To help fight against tax evasion and protect the integrity of tax systems, the EU Member States introduced a new information-gathering and reporting requirement for financial institutions.

## When?

EU Member States started collecting information on other Member States' tax residents on 1 January 2016. The first information exchange between tax administrations took place by September 2017. As of then, the same process will take place on an annual basis. Austria started this process 1 year later, i.e., the collection of information started on 1 January 2017.

## Who is affected?

The impact will depend on factors such as:

- the type of account or product
- where the financial account is
- where the relevant taxpayer is resident for tax purposes

## What personal information is being collected?

In line with the DAC2/CRS requirements, EU Financial institutions will collect the following customer information:

- Name
- Address
- Place of birth (for Individual and Controlling Persons)
- Date of birth (for Individual and Controlling Persons)
- Country(ies) of tax residence
- Taxpayer identification number(s)
- Place of registration/incorporation (for Entities)
- Entity Type (for Entities)
- Controlling Persons for certain Entity Types

### **What account information is collected?**

EU financial institutions will report the income credited to the account (dividends, interest, gross proceeds from the sale or redemption of financial assets and cash-value insurance contracts) and account balances.

### **What is a Controlling Person?**

The term Controlling Person means the natural person(s) who exercises a controlling interest ('control') over the Entity.

Determining control will depend on the legal structure of the Entity. Control over an Entity may be exercised through direct or indirect ownership or if no such person(s) exists, then by any natural person(s) that otherwise exercises control over the management of the Entity (for example, the senior managing official of the company).

The term Controlling Person is consistent with the definition of "beneficial owner" in the anti-Money Laundering Directive. In the case of a trust (and Entities equivalent to trusts), the term Controlling Persons means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust.