

COMMON REPORTING STANDARD AS A MODEL FOR TAX INFORMATION EXCHANGE: MECHANISM OF OPERATION AND IMPLEMENTATION STATUS IN UKRAINE

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Abstract. The article studies the Common Reporting Standard (CRS) – an information standard for the exchange of financial information, which provides for the automatic exchange of information between states that are parties to the Multilateral Competent Authority Agreement – MCAA. It explores the implementation of the CRS by analyzing its mechanisms, implications, and challenges. The purpose of the article is to systematize knowledge about the prerequisites for creating, the mechanism of intergovernmental tax cooperation within the framework of CRS, the current results achieved under this standard, the status of Ukraine’s accession to it, and the development of recommendations for accountable entities and account holders regarding compliance with CRS rules. This study employed a multi-faceted methodology: literature review, analysis of normative documents, and comparative analysis. Results highlight the complexities involved, especially regarding the exchange of tax-relevant data and compliance requirements for financial institutions and account holders. The study underscores the necessity for Ukrainian authorities to demonstrate strong political will to overcome obstacles and ensure effective CRS implementation. Overall, the findings underscore the significance of CRS in enhancing tax compliance and collecting taxes while acknowledging the hurdles ahead.

Keywords: Automatic tax information exchange, Common Reporting Standard, G20, Multilateral Competent Authority Agreement, Organisation for Economic Co-operation and Development.

Author contributions

The author prepared the article independently. The author independently selected the literature, analyzed it and formulated conclusions.

Disclosure statement

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INTRODUCTION

In the contemporary landscape of global finance, the issue of tax evasion and avoidance has garnered significant attention from policymakers, scholars, and international organizations. The proliferation of cross-border financial transactions, coupled with the emergence of sophisticated tax planning strategies, has underscored the importance of effective mechanisms for information exchange among tax authorities. In this context, the Common Reporting Standard has emerged as a pivotal tool in combating tax evasion and promoting transparency in the realm of international taxation.

The importance of understanding and evaluating the operational framework of the CRS cannot be overstated. As countries around the world seek to enhance their tax compliance regimes and address revenue leakages caused by offshore tax evasion, the CRS offers a standardized approach to automatic exchange of financial account information. By facilitating the flow of information between participating jurisdictions, the CRS aims to deter tax evasion, improve tax transparency, and foster greater cooperation among tax authorities globally.

Previous research has shed light on various aspects of the CRS, including its conceptual underpinnings, implementation challenges, and potential impacts on tax compliance and revenue collection. However, there remains a need for comprehensive analysis and evaluation of the CRS, particularly in the context of its implementation status and prospects for future adoption by additional jurisdictions, in particular by Ukraine.

Against this backdrop, this study aims to provide a systematic examination of the CRS as a model for tax information exchange, with a specific focus on its mechanism of operation and the implementation status in Ukraine. By delving into the theoretical foundations of the CRS and synthesizing insights from existing literature, this research seeks to elucidate key issues surrounding the CRS, including its efficacy, challenges, and implications for tax policy and administration.

The central research question guiding this study is: What are the mechanisms of operation of the CRS, and what is the current status of its implementation in Ukraine? Through empirical analysis and policy evaluation, this study seeks to address this question and contribute to the existing body of knowledge on international tax cooperation and transparency initiatives.

The novelty of this research lies in its comprehensive examination of the CRS, particularly within the context of Ukraine's efforts to align with international tax standards. By offering insights into the challenges and opportunities associated with CRS implementation in Ukraine, this study aims to inform policymakers, tax practitioners, and researchers about the potential implications of adopting the CRS and the steps necessary to ensure its effective implementation.

This study underscores the significance of the CRS as a model for tax information exchange and highlights the importance of understanding its mechanisms and implications for tax policy and administration. By shedding light on the operational aspects of the CRS and its implementation status in Ukraine, this research aims to contribute to ongoing efforts to enhance tax transparency and combat tax evasion on a global scale.

THEORETICAL FRAMEWORK

The implementation of the Common Reporting Standard and its implications have been subjects of increasing interest in recent literature, particularly in the context of international tax cooperation and transparency initiatives. A review of existing research provides valuable insights into the mechanisms and challenges associated with CRS implementation, as well as its potential impacts on tax policy and administration.

Eesh Aggarwal and Rodrigo Zepeda have conducted notable analyses of the prerequisites and mechanisms underlying the CRS, shedding light on its operational framework and implications for international tax compliance (Aggarwal 2015; Zepeda, 2022). Their works offer valuable perspectives on the conceptual foundations of the CRS and its role in addressing tax evasion and promoting tax transparency.

Among Ukrainian scholars, Kateryna Klymenko (Klymenko, 2022), Yana Oliynyk, Maria Kucheriava (Oliynyk & Kucheriava, 2021), and Olga Ivanytska (Ivanytska, 2022) have contributed to the discourse on CRS implementation in Ukraine. Their research provides insights into the specific challenges and opportunities faced by Ukraine in aligning with international tax standards and implementing automatic exchange of tax information.

Recent information from Organisation for Economic Co-operation and Development (OECD) resources (Automatic Exchange of Information..., 2006) and Ukrainian government agencies serves as a primary source of information for understanding the current status of CRS implementation and Ukraine's progress towards compliance (On Amendments to the Tax Code of Ukraine..., 2023). These sources offer up-to-date insights into the legislative and operational developments surrounding CRS implementation in Ukraine, as well as the challenges and opportunities associated with aligning with international tax standards.

The objective of this article is to systematically analyze the background of CRS creation, the mechanism of intergovernmental tax cooperation within the CRS framework, the current outcomes of operating under this standard, the status of Ukraine's accession to it, the steps already taken by

Ukraine towards implementing automatic exchange of tax information, and the development of recommendations for governmental bodies and private entities and individuals regarding activities following the launch of CRS in Ukraine.

The research question guiding this study is: What are the mechanisms of operation of the CRS, and what is the current status of its implementation in Ukraine? Through a comprehensive review of existing literature and empirical analysis, this study aims to address this question and contribute to the understanding of CRS implementation dynamics and its implications for tax policy and administration.

METHODOLOGY

This study employed a multi-faceted methodology to investigate the implementation of the Common Reporting Standard in Ukraine:

1. Literature Review: A comprehensive review of scholarly articles, reports, and publications from sources such as private publications, OECD, and Ukrainian government agencies provided insights into CRS theoretical foundations, operational mechanisms, and implications.

2. Analysis of Normative Documents: Scientific-legal analysis of normative documents, including laws, regulations, and agreements related to CRS adoption and compliance, was conducted at both international and domestic levels.

3. Comparative Analysis: Comparative analysis assessed Ukraine's progress in CRS compliance against other jurisdictions, focusing on legislative frameworks, institutional arrangements, and compliance mechanisms.

RESULTS

The analysis conducted by the author focused on examining the key provisions of the Common Reporting Standard (CRS) (Common Reporting Standard, 2005) and the mechanisms of its implementation in Ukraine, specifically through Law of Ukraine No. 2970-IX “On Amendments to the Tax Code of Ukraine and other legislative acts of Ukraine regarding the implementation of the international standard of automatic exchange of information on financial accounts” (hereinafter – the “Law”) (On Amendments to the Tax Code of Ukraine..., 2023).

The findings of this analysis can be categorized into two parts: recommendations for financial agents and account holders, the primary subjects affected by these regulations.

Key Recommendations for Financial Agents

Financial agents, including banks, investment funds, and other financial institutions registered under Ukrainian law, are advised to follow the following requirements:

- **Registration:** Financial agents must register with the supervisory authority within 60 calendar days after determining their status as accountable financial institutions.
- **Due Diligence:** They are obligated to apply proper due diligence measures to financial accounts to determine their reportable status under CRS. This involves establishing procedures for identifying the tax residency of account owners and/or their controlling persons.
- **Reporting Obligations:** Financial agents must annually submit information on financial accounts held by non-resident taxpayers to partner jurisdictions participating in the CRS Multilateral Agreement by July 1 of each year.

Non-compliance with these requirements may lead to significant penalties for financial agents, including fines for incomplete or inaccurate reporting and other substantial breaches of CRS obligations.

Additionally, financial institutions are advised to align their internal procedures, including Anti-Money Laundering/Know Your Customer (AML/KYC) processes, with the requirements of the law and ensure timely submission of annual reports to the supervisory authority.

Key Provisions for Account Holders

Account holders, on the other hand, are advised to:

- **Provide Documentation:** Furnish financial agents with necessary documents and information for verifying financial accounts and determining their reportable status.
- **Report Changes:** Notify financial agents of any changes in their tax residency status within 30 calendar days.
- **Cooperate with Inquiries:** Offer additional explanations or information to financial agents upon request, particularly if there are suspicions regarding the reportable status of their accounts.

Failure to comply with these obligations may result in penalties for account holders, including fines for knowingly providing inaccurate information.

It's noteworthy that with the implementation of automatic exchange mechanisms, Ukrainian tax authorities will gain access to detailed financial information about accounts held by Ukrainian residents in foreign financial institutions, emphasizing the importance of compliance for both financial agents and account holders.

Furthermore, Ukrainian citizens who have left the country, including those displaced by the war, are also obligated to inform their banks, both within Ukraine and abroad, of any changes in their personal residency status.

DISCUSSION

Problem Statement

International tax issues have never been as high on the political agenda as they are today. The integration of national economies and markets has increased substantially in recent years putting a strain on the international tax rules which were designed more than a century ago (Addressing the tax challenges..., 2015). The phenomenon of financial globalization, particularly prominent at the end of the 20th and the beginning of the 21st century, facilitated the emergence of sophisticated international tax planning strategies. These strategies often involved channeling funds through low-tax jurisdictions, resulting in the accumulation of substantial assets offshore. The Tax Justice Network's research revealed that by the end of 2010, at least \$21 trillion was held in offshore accounts, a figure comparable to the annual GDP of major economies such as Japan and the United States (Henry, 2012). OECD estimated global corporate income tax (CIT) revenue losses between 4% and 10% of global CIT revenues, i.e. USD 100 to 240 billion annually (Legenzova & Levišauskaitė & Kundelis 2017).

This massive accumulation of wealth in offshore jurisdictions posed significant challenges for high-tax countries. The substantial loss of tax revenue due to the diversion of business activities to offshore havens undermined the fiscal stability of these nations (Action Plan on Base Erosion..., 2013). Consequently, governments of high-tax jurisdictions faced difficulties in meeting their budgetary requirements and fulfilling their social obligations.

To address this issue, governments began exploring mechanisms for effective exchange of information regarding the beneficial owners of assets held in offshore accounts. This led to the development of the Common Reporting Standard (CRS), aimed at partially mitigating the challenges posed by tax evasion and aggressive tax planning strategies. Thus, the implementation of CRS emerged as a response to the pressing need to enhance transparency and combat tax avoidance practices on a global scale.

Path of the Global Community to Establishing the CRS Standard

Considering the aforementioned challenges aimed at repatriating diverted profits for taxation, the governments of high-tax countries initiated efforts to establish effective mechanisms for exchanging information about the beneficial owners of assets held in low-tax jurisdictions.

As a result, two main instruments emerged:

- **Bilateral Tax Information Exchange Agreements (TIEA):** These agreements aimed to facilitate the exchange of tax-related information between jurisdictions. However, their effectiveness was relatively low due to the principle of information exchange upon request, where tax authorities of one country submit requests to their counterparts in other jurisdictions regarding specific companies, individuals, or transactions.

- **The Multilateral Convention on Mutual Administrative Assistance in Tax Matters:** This international convention sought to enhance cooperation between tax authorities for the purpose of

exchanging information and providing assistance in tax matters. Despite these efforts, the effectiveness of these instruments remained limited.

Moreover, the battle against tax planning took on a bilateral character, with low-tax countries devising increasingly sophisticated forms of preserving the confidentiality of company ownership. In response, high-tax jurisdictions directed their efforts toward two main objectives:

- Combating corporate ownership confidentiality in offshore jurisdictions.
- Transitioning to “automatic mode” for information exchange: This entailed regular, non-request-based exchanges of information concerning all relevant accounts.

Studying and assessing the potential of the American prototype – the Foreign Account Tax Compliance Act (FATCA) – governments of other high-tax countries decided to create a similar mechanism for automatic information exchange on a global scale, based on reciprocity (Explanations of Foreign Account Tax Compliance Acts..., 2018). This led to the establishment of the Common Reporting Standard (CRS), also known as the Standard for Automatic Exchange of Financial Account Information (Common Reporting Standard, 2014).

Creation of the CRS Mechanism

The development of the CRS began within the framework of the OECD as early as 2013. The practical implementation process commenced on April 19, 2013, when the finance ministers of G20 countries issued a statement emphasizing the need to implement a new international standard for automatic exchange of information to combat cross-border tax evasion. In September of the same year, G20 leaders publicly declared their intention to implement the mechanism of global automatic information exchange (Automatic Exchange of Information, 2015). This laid the political groundwork for the legal formalization of the CRS.

On February 23, 2014, the text of the CRS was agreed upon in outline, and in May 2014, the OECD Declaration on Automatic Exchange of Tax Information was approved. The final text of the CRS standard was released by the OECD on July 21, 2014. The document consists of three parts. Part I gives an overview of the Standard. Part II contains the text of the Model Competent Authority Agreement (Model CAA) and the Common Reporting and Due Diligence Standard (CRS). Part III contains the Commentaries on the Model CAA and the CRS as well as a number of Annexes (Common Reporting Standard, 2014).

Mechanism of CRS Operation

The Common Reporting Standard entails annual automatic exchange of information among participating countries. The document outlines the specific information subject to international exchange, specifies financial institutions responsible for collecting and providing tax-relevant data to their governments for subsequent international exchange, describes the types of accounts and tax residents for which such information must be collected and provided, and establishes unified due diligence methods for verifying the integrity of clients when opening accounts.

According to the CRS, all financial institutions operating within the territories of participating countries, namely banks, brokers, investment entities, and certain types of insurance companies, are required to collect and transmit information to their governments for further international exchange. Information is collected on accounts of individuals and corporate accounts of companies, trusts, and private funds.

It is important to note that an individual account exists when its owner, a natural person, is a tax resident of the jurisdiction from which automatic exchange of information is conducted. Such individuals are referred to as “reportable persons,” and their accounts are accordingly termed “reportable accounts.” (CRS-related Frequently Asked Questions, 2019).

Corporate accounts become “reportable” if they are controlled by one or more “reportable persons” or if they are controlled by a “passive non-financial entity” (NFE), which in turn is controlled by a “reportable person.” A “passive non-financial entity” refers to any legal business entity, more than 50% of whose income is derived from passive revenues (holdings, trusts, funds) (Standard for Automatic Exchange..., 2018).

For each “reportable account,” the following information will be collected and transmitted to the authorities for further exchange:

1. Details about the person controlling the “reportable account”:

- Full name
- Residential address
- Tax residency jurisdiction
- Tax identification number
- Date and place of birth if the account is owned by a natural person

All the above information for each natural person actually exercising control over the funds in the account if the account is corporate.

2. “Reportable account” number or other identifying feature if the account is not numbered.

3. Financial information:

- Account currency
- Current balance
- Revenue from active commercial activities
- Profit from passive investment operations.

Additionally, detailed information about the financial institution where the account is opened is included in the report.

The CRS includes special measures to safeguard the confidentiality of the information exchanged between countries. Specifically, if the confidentiality of the information cannot be guaranteed by a state, that state will not exchange information on an automatic basis.

Normative Framework of CRS and Its Legal Status

To understand the nature of the mandatory CRS system, it is worth considering this issue theoretically. From the perspective of modern international public law, all states are endowed with equal rights and obligations. The main principle of interaction between sovereign states is “Par in parem non habet imperium” (Latin: “Equal has no power over equal”) (Par in parem..., 2024). Thus, theoretically, no state (or even group of states) can compel another state to comply with any documents to which such state has not consented. Exceptions to this rule include “international security law” – for example, resolutions of the UN Security Council, which are binding on all UN members regardless of their consent.

The final text of the Common Reporting Standard does not, from a legal standpoint, constitute a rule of law and does not inherently possess legally binding force. CRS is a “model” document – a reference point to be relied upon. For it to become binding, a state must legally express its consent to adhere to its norms, meaning implementation, typically involving three main stages:

1. Signing of the legally binding international document (treaty, convention, pact, protocol, etc.) by authorized individuals – this is the state’s expression of consent to the binding nature of certain norms.

2. Ratification of the signed international document by the national parliament.

3. Bringing its domestic legislation into conformity with the international document.

Thus, automatic exchange of information according to the CRS standard will only take place after its proper implementation by participating states.

In the context of the European Union (EU), the implementation of the CRS standard was conducted in the form of amendments to the European Directive on Administrative Cooperation (DAC2). Naturally, this document applies only in relations between EU member states (Administrative cooperation..., 2024).

As for other countries, the implementation of the CRS standard can be carried out through:

- Bilateral international agreements in the tax sphere:
 - Double Tax Treaties (Administrative cooperation..., 1963; Model Tax Convention..., 2014), or
 - Tax Information Exchange Agreements (TIEA).
- Conclusion of multilateral conventions on the exchange of tax information (Developing a Multilateral..., 2015; MLI: Testing the principle..., 2018).

The second approach was deemed a priority as only it can ensure a truly global nature of the mechanism of automatic exchange of information. Its implementation began on October 29, 2014, with the signing of the Multilateral Competent Authority Agreement (MCAA), which became the

primary legal framework for the CRS standard at the international level (Activated relationships for..., 2024).

It is worth noting that the MCAA essentially follows the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MCMAATM), Article 6 of which provides for the possibility of automatic exchange of tax information (Convention on Mutual Administrative..., 1988). Thus, the main mechanism for implementing the CRS standard globally is currently being carried out in two stages:

Initially, a country joins the MCMAATM Convention.

Then, relying on Article 6 of the MCMAATM Convention, such a country signs the MCAA. Although the MCAA is “open” and can be joined even without being a participant in the MCMAATM Convention.

After joining the conventions, each country must undergo all necessary procedures (ratification of conventions and changes in domestic legislation). Afterward, the mechanism of automatic exchange of information will come into force.

Implementation of CRS by Ukraine

Ukraine joined the MCMAATM Convention back in 2004. However the implementation history of CRS in Ukraine began with the Decree of the President of Ukraine dated April 28, 2016, No. 180/2016, where the Cabinet of Ministers of Ukraine was tasked with organizing work related to Ukraine’s accession to international initiatives of the Organisation for Economic Co-operation and Development (OECD), including automatic exchange of tax information. In May 2017, a draft law “On Amendments to the Tax Code of Ukraine (regarding international automatic exchange of tax information)” was submitted to the parliament. On April 28, 2023, Law of Ukraine No. 2970-IX “On Amendments to the Tax Code of Ukraine and other legislative acts of Ukraine regarding the implementation of the international standard for automatic exchange of information on financial accounts” entered into force (On Amendments to the Tax Code..., 2023).

The Law is aimed at incorporating into Ukrainian legislation the requirements of the Common Reporting Standard, approved by the OECD, which is a mandatory condition for Ukraine’s accession to the international information exchange system under the Multilateral Competent Authority Agreement for the automatic exchange of information on financial accounts (the “Multilateral CRS Agreement”).

The essence of the exchange involves financial institutions (financial agents) collecting information about the accounts of non-resident individuals and legal entities (including private funds, trusts, partnerships, and accounts of legal entities indirectly owned by individuals) and transmitting it to the countries of tax residence of the account owner on an annual basis. Ukrainian financial institutions will report to the Ukrainian tax authorities (the supervisory body), which, in turn, will transmit the received information to the tax authorities of the respective foreign countries (Klymenko, 2022).

Ukraine has already developed detailed guidelines with the instructions for financial institutions on submitting the required information. It was implemented by the Order of the Ukrainian Ministry of Finance called “Registration procedure for accountable financial institutions for purposes of the Common Reporting Standard (CRS)” which entered into force on 10.10.2023 (To the attention of accountable..., 2023).

It is expected that the automatic exchange of relevant information with other countries will commence as early as September 2024.

Main Consequences of CRS for Accountable Entities and Account Holders

Key Provisions for Financial Agents

Financial agents, including banks, investment funds, and other financial institutions, are required to comply with several provisions outlined by the law:

- **Registration:** Financial institutions must register with the regulatory authority within 60 calendar days of establishing their status as accountable financial institutions.
- **Due Diligence Measures:** Financial agents must implement due diligence measures on financial accounts to determine whether such accounts are subject to automatic exchange (i.e., whether they

are reportable under CRS). This includes establishing procedures to identify the tax residency of account holders and/or their controlling persons.

- **Annual Reporting:** Financial institutions must annually report information on financial accounts held by tax residents of other jurisdictions – partners in information exchange who are parties to the Multilateral Competent Authority Agreement – by July 1 of the following year.

Penal Sanctions for Non-Compliance

Penalties for non-compliance with the law by financial agents are quite substantial. These include:

- Submitting reports on reportable accounts with incomplete or inaccurate information due to violations of due diligence rules may result in fines of up to 200 minimum wages per each financial account.

- For certain other significant violations of the law regarding compliance with the CRS Multilateral Competent Authority Agreement and the Common Reporting Standard, financial agents may face penalties amounting to 1% of the annual income of the respective financial agent.

- Financial institutions must, first and foremost, (i) align their internal procedures for onboarding new clients (including AML/KYC) with the Law, ensuring they cover due diligence measures for determining the residency of account owners/control persons of account owners, and (ii) establish a process for annual reporting of relevant information to the regulatory authority.

Key Provisions for Account Holders

Accountholders, in turn, are obligated to:

- Provide financial agents with documents and/or information necessary to verify financial accounts and determine their reportability.

- Notify financial agents of any changes in their tax residency status within 30 calendar days.

- Provide additional explanations or information upon request by financial agents if there is a justified suspicion regarding the reportability of the account.

Penal Sanctions for Non-Compliance

The Law stipulates penalty sanctions for breaches of CRS requirements by accountholders as well. For example, intentionally providing documents with inaccurate information may result in penalties. Moreover, there is a procedure for Ukrainian tax authorities to issue a tax notification decision directly to non-resident individuals.

CONCLUSIONS

In this article, the author has analyzed the Common Reporting Standard, one of the most advanced model documents developed within the framework of the OECD. CRS entails annual automatic exchange of information between countries that have adopted it.

The mechanism of CRS implementation by states, specifically through accession to the Multilateral Competent Authority Agreement for cooperation between competent authorities on automatic exchange of information under the CRS, has been described.

The author has scrutinized the types of information subject to international exchange under CRS, the financial organizations responsible for collecting and providing tax-relevant information to authorities for further international exchange, as well as the types of accounts and tax residents for which such information must be collected and provided. Additionally, the main provisions for financial agents and account holders have been examined.

The author emphasizes that Ukraine's adoption of this standard is pivotal for ensuring robust tax compliance and bolstering budgetary revenues. However, the road ahead presents significant challenges, primarily because there may be limited interest from foreign countries in exchanging tax information with Ukraine due to factors such as political instability, economic uncertainties, or the perception of corruption. Besides, Ukrainian taxpayers with business structures involving offshore entities or low-tax jurisdictions may be reluctant to share information on their financial activities abroad, posing challenges to effective CRS implementation. Consequently, it is imperative for Ukrainian authorities to exhibit strong political will in effectively implementing CRS.

The research perspective on this topic is extremely broad, as automatic exchange of tax information, particularly under the investigated standard, is only being established today in foreign jurisdictions and in Ukraine. Further research could delve into the effectiveness of CRS implementation, its impact on tax compliance and revenue generation, as well as the development of regulatory frameworks to address emerging challenges and ensure efficient operation of the system.

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ЄДИНИЙ СТАНДАРТ ЗВІТНОСТІ ЯК МОДЕЛЬ ДЛЯ ПОДАТКОВОЇ ОБМІНУ ІНФОРМАЦІЄЮ: МЕХАНІЗМ ДІЇ ТА СТАН ІМПЛЕМЕНТАЦІЇ В УКРАЇНІ

Анотація. В статті досліджується Єдиний стандарт автоматичного обміну податковою інформацією (Common Reporting Standard, CRS), який передбачає щорічний автоматичний обмін інформацією між державами, що є сторонами Багатосторонньої конвенції про співпрацю між компетентними органами з питань автоматичного обміну інформацією (Multilateral Competent Authority Agreement – МСАА), а також перспективи участі України в обміні за таким стандартом. У статті проаналізовано, яка саме інформація підлягає міжнародному обміну, досліджено типи фінансових інституцій, які повинні збирати і подавати податково-значущі відомості владі для подальшого міжнародного обміну, вивчено типи рахунків і податкових резидентів, за якими повинна збиратися і надаватися така інформація, а також проаналізовано методи перевірки благонадійності клієнтів при відкритті рахунків.

Мета статті полягає у систематизації знань про передумови створення, механізм міждержавної податкової співпраці в рамках CRS, наявні на сьогодні результати роботи за даним стандартом, статус приєднання України до нього, вже здійснені нашою державою кроки до впровадження автоматичного обміну податковою інформацією, розробці рекомендацій для підзвітних осіб і власників рахунків з питань виконання правил CRS.

У дослідженні застосовувався загальнонауковий метод наукових досліджень, а саме теоретичний метод, зокрема огляд наукової літератури, аналіз нормативних документів і порівняльний аналіз.

У висновках автор підкреслює, що приєднання України до CRS стандарту є надзвичайно важливим з точки зору налагодження належного справляння податків та наповнення бюджету, що є особливо актуальним під час повномасштабного російського вторгнення. Результати дослідження також описують складнощі, особливо щодо дотримання вимог обміну податково важливими даними фінансовими установами та власниками рахунків. Дослідження підкреслює необхідність виявлення сильної політичної волі з боку української влади для подолання перешкод та забезпечення ефективної імплементації CRS. Загалом, автор підкреслює надзвичайно велике значення CRS у покращенні збору податків, визнаючи при цьому перешкоди, що стоять на шляху.

Перспектива дослідження даної тематики надзвичайно широка, оскільки автоматичний обмін податковою інформацією, зокрема за досліджуваним стандартом, лише налагоджується сьогодні та є мало досліджений науковцями.

Ключові слова: автоматичний обмін податковою інформацією, загальний стандарт звітності, G20, багатостороння угода між компетентними органами, Організація економічного співробітництва та розвитку.

COMMON REPORTING STANDARD AS A MODEL FOR TAX INFORMATION EXCHANGE: MECHANISM OF OPERATION AND IMPLEMENTATION STATUS IN UKRAINE

Abstract. The article studies the Common Reporting Standard (CRS), an information standard for the automatic exchange of tax information between states that are parties to the Multilateral Competent Authority Agreement (MCAA). It also explores the prospects of Ukraine's participation in the exchange under this standard. The study analyzes the information subject to international exchange, types of financial institutions required to collect and submit tax-relevant information to authorities for international exchange, account types, tax residents, and methods of verifying client integrity when opening accounts.

The article aims to systematize knowledge about the prerequisites for creating, the mechanism of intergovernmental tax cooperation within the CRS framework, current results achieved under this standard, Ukraine's accession status, steps taken by Ukraine towards implementing automatic exchange of tax information, and recommendations for accountable entities and account holders on complying with CRS rules.

The study employed a comprehensive research methodology, including a literature review, analysis of normative documents, and comparative analysis. The conclusions emphasize the crucial importance of Ukraine's accession to the CRS standard for ensuring proper tax compliance and budgetary revenues, particularly amid full-scale Russian aggression. The study also describes the challenges, especially regarding compliance with tax data exchange requirements by financial institutions and account holders. It underscores the need for strong political will from Ukrainian authorities to overcome obstacles and ensure effective CRS implementation. Overall, the study highlights the significant role of CRS in improving tax collection while acknowledging the hurdles ahead.

The research perspective on this topic is extensive, given that automatic tax information exchange, particularly under the investigated standard, is currently being established and is relatively underexplored by researchers.

Keywords: Automatic tax information exchange, Common Reporting Standard, G20, Multilateral Competent Authority Agreement, Organisation for Economic Co-operation and Development.

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