

Multilateral Competent Authority Agreement

7 November 2014

In brief

The Romanian Minister of Public Finances recently signed the Declaration of acceptance of the provisions of the Multilateral Competent Authority Agreement.

In detail

According to representatives of the Organization for Economic Co-operation and Development (OECD), the Multilateral Competent Authority Agreement has been signed by representatives of 51 states and jurisdictions.

This agreement enables Romania to exchange information at the level of the standard agreed by the OECD, which provides the automatic exchange of financial information between countries and jurisdictions. The purpose of this agreement is to identify individuals who evade tax authorities by transferring money into foreign accounts.

In this respect, Romania will put together a list of the states with which it wants to engage in automatic exchange of information. These states will have to ratify the agreement before the effective exchange of information takes place.

In order to achieve the automatic exchange of information between two states, the Multilateral Convention on Mutual

Administrative Assistance in Tax Matters must enter into force. Romania ratified that Convention on 1 November 2014.

The information to be exchanged by means of this agreement includes:

- Individual identification data;
- Account number data;
- Data concerning the name and tax identification number (if it exists) of the financial institution doing the reporting;
- Data about the balance or the value of the account;
- In the case of a trustee account, data regarding the gross interest amount, dividends or other income generated by these accounts and the gross amount of returns from sale or redemption of financial assets.

This agreement includes express provisions regarding confidentiality.

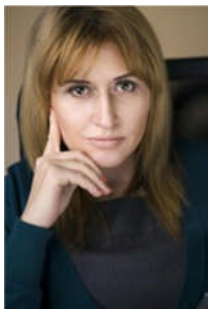
Depending on the fulfilment of the legal internal procedures for the entry into force of the Agreement, Romania will be able to exchange information effectively as of September 2017.

The takeaway

On 29 October 2014, Romania signed the Declaration of acceptance of the provisions of the Multilateral Competent Authority Agreement, by means of which individuals who evade taxation by transferring money into foreign accounts may be identified. The automatic exchange of information may be implemented as of September 2017, under certain conditions.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



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