

Common Reporting Standard

May 1, 2023

In news- India wants to expand the scope of common reporting standard at the G20 to include non-financial assets such as real estate properties through automatic exchange of information (AEOI) among OECD countries.

Present AEOI framework-

- **Presently, the OECD's Automatic Exchange of Information (AEOI) framework provides for sharing of financial account details** among signatory countries with an aim to check tax evasion.
- **In August 2022, the OECD also approved the Crypto-Asset Reporting Framework (CARF)** which provides for the reporting of tax information on transactions in crypto assets in a standardised manner, with a view to automatically exchanging such information.
- **Under the AEOI framework, signatory countries follow a CRS** and obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis.
- **India currently has AEOI with 108 jurisdictions** for receiving financial information and with 79 jurisdictions for sending information automatically.

About Common Reporting Standard (CRS)-

- It was developed in response to the G20 request and approved by the OECD Council on 15 July 2014.
- It calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions 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 common due diligence procedures to be followed by financial institutions.