



HM Revenue
& Customs

Charities Automatic Exchange of Information Event

HMRC has recently published new guidance about the UK's Automatic Exchange of Information (AEOI) agreements with other countries. This is a really good time to find out about the new rules, and what they may mean for charities.

Agreements between the UK and other countries to exchange financial accounts information are live. Businesses that are financial institutions have reporting obligations under the AEOI agreements that came into effect from January 2016. These rules form part of global strategies to combat offshore tax evasion.

Financial institutions are not limited to banks and building societies – they also include insurers, wealth and investment managers, trusts and some charities. Affected charities will be those whose main income is from investments in financial assets, where the assets are managed by a fund manager. If you think you could be affected, please review the guidance now to see whether you need to register and report.

[Automatic Exchange of Information: introduction - Detailed guidance - GOV.UK](#)

Charities that are financial institutions will have to carry out due diligence checks on all their 'account holders' - for charities this is anyone with a debt or equity interest in the charity. This includes all beneficiaries of the charity, whether mandatory or discretionary, and will include both charities and individuals that the charity makes cash grants to. The checks are to find out whether the account holder is tax resident in the UK or overseas; and where the charity has 'account holders' that are tax resident outside the UK, it may be required to report this information to HMRC to share with the tax authority where the account holder is resident.

The HMRC AEOI team is running an educational event aimed at charities and their advisers who are affected by AEOI reporting and would like more information. The event will include speakers from HMRC and charity representatives, and small group discussions on due diligence best practice.

The event will take place on 29 June 2016 in London. To register an interest in the event please email crs.consultation@hmrc.gsi.gov.uk