JOINT COMMUNIQUE BY FRANCE, GERMANY, ITALY, SPAIN, THE UNITED KINGDOM AND THE UNITED STATES ON THE OCCASION OF THE PUBLICATION OF THE “MODEL INTERGOVERNMENTAL AGREEMENT TO IMPROVE TAX COMPLIANCE AND IMPLEMENT FATCA”

For many years France, Germany, Italy, Spain, the United Kingdom and the United States have been partners in countering offshore tax evasion and improving international tax compliance so that all citizens pay their fair share of taxes due under the law.

Recently we have intensified our co-operation by collaborating on the development of a “Model Intergovernmental Agreement to Improve Tax Compliance and Implement FATCA”.

This Model Agreement establishes a framework for reporting by financial institutions of certain financial account information to their respective tax authorities, followed by automatic exchange of such information under existing bilateral tax treaties or tax information exchange agreements. It addresses the legal issues that had been raised in connection with the Foreign Account Tax Compliance Act, simplifies its implementation for financial institutions and provides for reciprocal information exchange.

We now look forward to a speedy conclusion of bilateral agreements based on this Model, including by other jurisdictions.

Co-operation will continue with a view to pursuing equivalent levels of reciprocal information exchange and to achieving maximum consistency and standardisation in the technical implementation of the agreed information exchange. More detailed guidance will be forthcoming.

This is an important step forward in establishing a common approach to combat tax evasion based on automatic exchange of information. France, Germany, Italy, Spain, the United Kingdom and the United States will, in close cooperation with other partner countries, the OECD and where appropriate the EU, work towards common reporting and due diligence standards to support a move to a more global system to most effectively combat tax evasion while minimising compliance burdens.

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