



M Partners

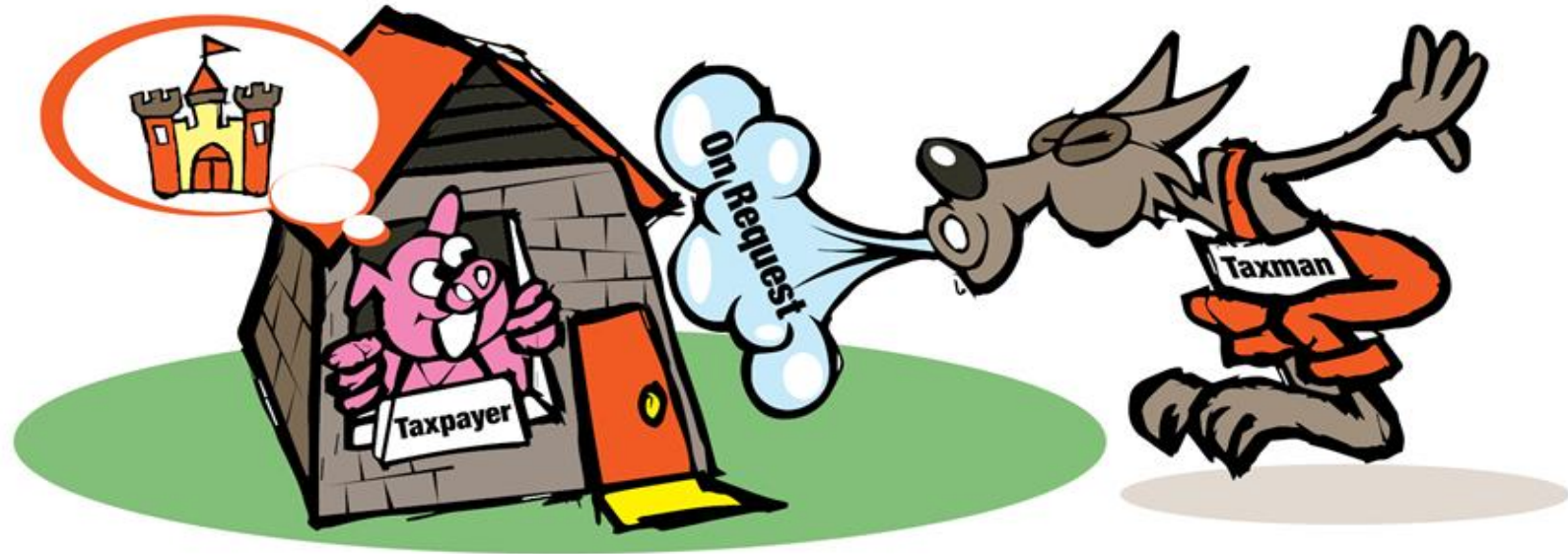
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CRS – Further Insights

STEP South Africa – Cape Town – April 2016

The Road to Transparency

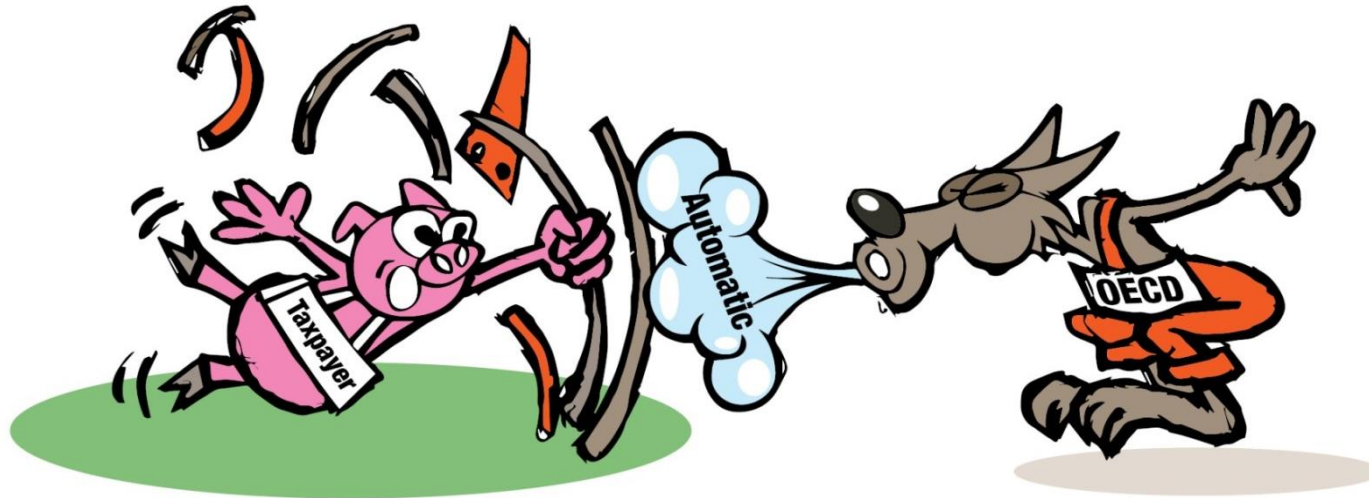
- The Era of Huffing and Puffing



- Rapid erosion of the principle of foreseeable relevance
- OECD Global Forum
- EU Commission
- EU Savings Directive and extensions
- EU Mutual Assistance Directive
- EU Recommendation on Good Governance in Tax Matters

The Road to Transparency

- The Final Blows?



2014

- US FATCA Regulations
- OECD Common Reporting Standard
- EU Directive on Administrative Co-operation

2015

- EU Directive on Tax Rulings and Transfer Pricing
- BEPS
- 4th AML Directive

The New Era of Manna from Heaven



What response?

- Accept the inevitable?



CRS and trusts

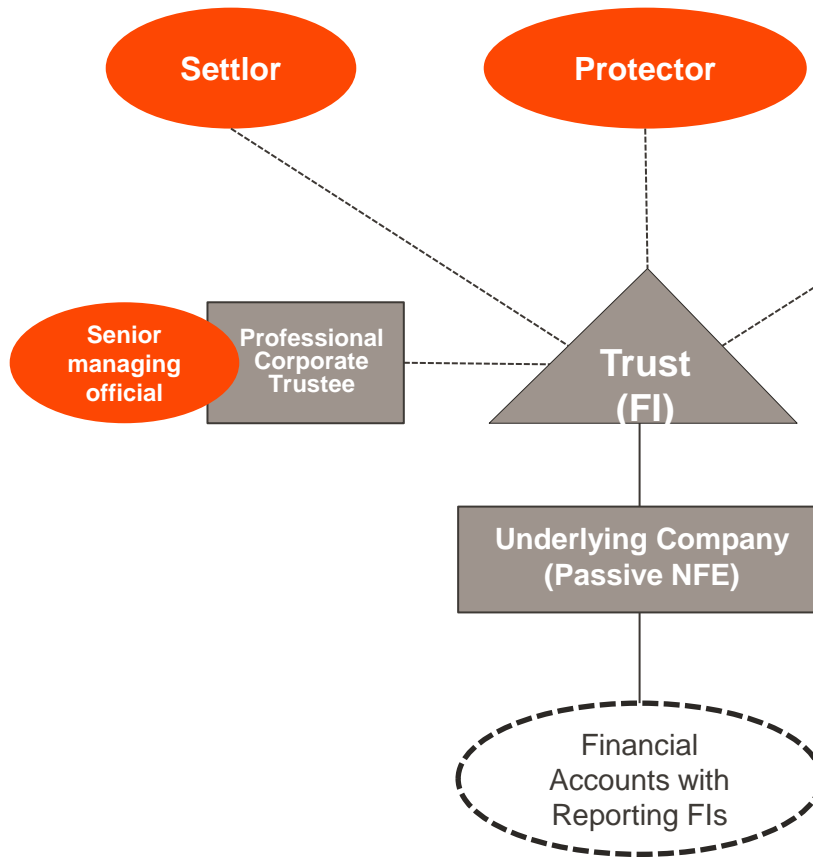
Conceptual difficulties

- Trusts as investment entities
- Financial accounts of trusts
- Equity interests in trusts
- **Controlling persons**



CRS and Trusts

Controlling persons of underlying Passive NFEs



Determine the Controlling Persons of UC

- Can we treat Trust as a blocker?
- Beneficial owner-FATF Recommendation 10
- Contrast US approach
- CPs of the Trust = CPs of UC
- Settlor – and beyond the grave?
- Protector – always
- Vested beneficiary – always
- Discretionary beneficiary – alignment with equity interest?
- Trustee – senior managing official
- Controlling the process – checks and balances
- Solutions = avoidance?
- Interpretation issues – where best to turn?

Panel Discussion and Questions



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