



## Finance - Automatic Exchange of Information (AEOI)

Following the 2008 credit crunch leading to a global financial crisis, there has been a continuous increase in the amount of legislation introduced by international and local regulators. The implementation of enhanced tax transparency and automatic exchange of information (AEOI) mechanisms (such as FATCA initiated by the USA and the Common Reporting Standard – CRS – initiated by the OECD and implemented by over 100 jurisdictions) followed. As a result, entities, including; companies, partnerships, trusts and foundations, that fall within the broad definition of ‘financial institution’, are now subject to various new due diligence and reporting requirements.

### Why is compliance important?

#### 1. Reputational risk:

- a) Adverse attention of regulatory and tax authorities and of the media. This will reflect badly on the brand, on the client and any other parties where there is perceived or proved non-compliance.
- b) Loss of trust by the clients

#### 2. Legal and compliance risk:

- a) Compliance is a challenge both operationally and financially
- b) Various interpretations, rules across jurisdictions
- c) Legislation subject to various and ongoing changes

#### 3. Financial risk:

- a) Ultimate cost of the implementation process will be higher when remediated at a later stage
- b) Application of penalties for non-compliance can significantly impact shareholder value.

#### 4. Operational risk:

- a) Poor implementation programmes will result in poor data quality and error in reporting
- b) Personal data protection risks

### The Process



Application of Due Diligence Procedures Rules as outlined in local FATCA and CRS legislation

# MJM Europe

## How MJM can help

- Health-checks and gap analyses
- Training sessions
- Provision of tailored industry-specific AEOL policies and procedures and implementation programmes
- Entity classification including group classifications analyses and monitoring
- Assistance with completion of self-certification forms and reasonableness checks
- Assistance with IRS and other local registrations
- Customer on-boarding (including development of on-boarding documentation)
- Reporting (Development of reporting processes and data quality checks)
- Day-to day support and guidance

The MJM Europe team consists of local and international enthusiastic professionals with expertise in Accountancy, Corporate Services, International Taxation and Strategy. We take pride in working harder and smarter. In so doing, we aim to achieve excellence, going further to support our customers and to exceed their expectations.

Furthermore, our organisational structure and investment in technology ensures Agility, Flexibility and most importantly Cost Efficiency. Rewards which our customers have been accustomed to.

*MJM Europe Limited, is authorised to act as a Trustee or Co-Trustee to provide Fiduciary Services in terms of the Trusts and Trustees Act and as Administrators of Private Foundations in terms of Article 43(12)b of the Trusts and Trustees Act.*



Meet the people behind MJM Europe and book your FREE consultation today.

**MJM EUROPE LIMITED**  
CORPORATE HOUSE  
10 ORATORY STREET  
NAXXAR, NXR 2504  
MALTA

TEL 356.2142.4118  
WEB [www.mjmeurope.com](http://www.mjmeurope.com)  
EMAIL [info@mjmeurope.com](mailto:info@mjmeurope.com)



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