

# CRS exchanges – Identification of non-compliant Financial Institutions and taxpayers

November 26th, 2025

# **Summary**

## **1. Dealing with the non-compliant Financial Institutions (FIs)**

- 1.1. Actors in charge of the monitoring
- 1.2. Scope of the non-compliant FIs
- 1.3. Detection of the non-compliant FIs
- 1.4. Interaction with the non-compliant FIs
- 1.5. Oversight in action

## **2. Dealing with the non-compliant taxpayers...**

- 2.1. ...As recalcitrant account holders
- 2.2. ...In concealing financial assets from the tax administration

# 1. Dealing with the non-compliant Financial Institutions (FIs)



## 1.1. Actors in charge of the monitoring

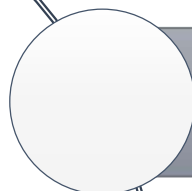
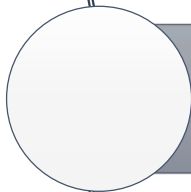
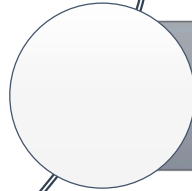
The monitoring of the FIs in France lies on the shared responsibility between:

- The **Tax Administration** (DGFIP) which ensures that FIs complete their reporting obligations on time (before July, 15th). DGFIP is empowered to apply penalties for late or no filing ;
- The **financial supervisory authorities** (ACPR & AMF) which ensure that FIs complete their due diligence obligations (internal audits). ACPR is in charge of FIs responsible for at least 80% of reported accounts.



## 1.2. Scope of the non-compliant Financial Institutions

A non compliant Financial Institution (FI) in the context of CRS/DAC2 refers to an entity that does not fulfill its reporting requirements. This includes :

-  The non submission of reports
-  Reports contain incomplete data
-  Delays are experienced in submissions

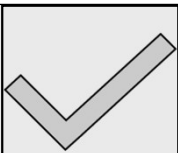
## 1.3. Detection of the non-compliant Financial Institutions

A system has been established to oversee and track the submission of CRS/DAC2 reports by FIs, with a focus on several key areas :



**Lack of Reporting:** The FI does not submit CRS/DAC2 reports within the required timeframe.

*For example,* for each IF that has filed for the tax year N, we will track down its reporting with respect to the previous tax years (N-1, N-2).



**Data errors :** Reports that include inaccuracies or incomplete data, compromising the integrity of the information.

*For example,* the ratio of reports including date of birth, TIN etc.



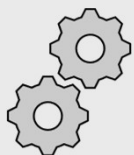
**Late Reporting :** Concerns reports submitted after the deadlines leading to potential penalties

*For instance,* we can pinpoint the FI that submitted the initial files during the corrective campaign and evaluate the possibility of imposing a sanction

## 1.4. Interactions with the non-compliant Financial Institutions



**Identifying the non-compliant FIs :** The identification of the non-compliant FIs is not an easy process as such FIs can use different ways of identification to report the requested information: use of different names, use of an alternative TIN, use of the absorbing/merging FI's name, resort to a service provider etc.



### **Implementing corrective actions :**




- Contact the FI to know the reasons why information are missing and follow-up;
- Report to supervision bodies in charge of audits (see next slide).



### **Long-term strategies:**

- Establishing ongoing monitoring to prevent the FI from being non-compliant again;
- Maintaining open communication ;
- Having a register including an exhaustive list of FIs.

## 1.5. Oversight in action

- Will be flagged up to ACPR and AMF by DGFIP :
  -  at the end of each reporting campaign in August, statistics on the quality of the data received (namely TIN presence, TIN quality, date of birth, undocumented account, etc.), particularly when the percentage of anomalies is considered too high;
  -  at the end of each corrective reporting campaign in January, late reporting FIs or no-reporting FIs;
  -  the FIs upon the report from an exchange partner on the low quality data.
- Such "flagging up" is made via a form drafted by DGFIP which included previous reportings, analysis and background facts. The forms are then used by ACPR and AMF in the course of their audits. ACPR and AMF can additionally access the FIs' reportings via a DGFIP application.

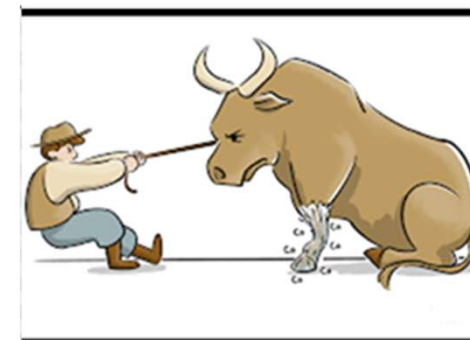


## 2. Dealing with the non-compliant taxpayers...



## 2.1. ...As recalcitrant account holders

- The account holder must provide the FI with a self-certification:
  - A) In the case of a preexisting account where there is a change of circumstances;
  - B) In the case of a new account:
    - B1. At the opening;
    - B2. In case of change of circumstances.
- If the account holder is recalcitrant:
  - In the case A):
    - Reporting to all reasonable ResidenceCountryCode.
  - In the case B1:
    - The account is not opened by the FI.
  - In the case B2:
    - Reporting of the recalcitrant account holders to the French tax administration.



## 2.2. ...In concealing assets from the tax administration

The French tax administration acts at two levels:



- In encouraging voluntary disclosure:
  - Requirement to declare the existence of an offshore account in the tax declaration;
  - Inclusion of a “pop-up” encouraging the taxpayer to fill up such declaration upon the receipt of incoming AEOI on his/her offshore account holding.
- In launching tax audits:
  - Incoming data are processed by the central tax audit department to elaborate a list of taxpayers presenting a risk of tax fraud;
  - Circulation of such list within local tax audit units;
  - Assessment on the reliability of the data and on the outcomes of the audits.



**ANY QUESTIONS?**