

KPMG AEOI Updates & Tracking Service FATCA/CRS Alert

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Liechtenstein: Issued amendments to FATCA and CRS Legislation

On 23 December 2020, the Tax Authority of Liechtenstein issued amendments to FATCA Legislation which went into force on 01 January 2021.

The updates include the following:

- Updated the obligations for Liechtenstein legal entities and financial institutions,
- Updated definition of Active NFFE and Passive NFFE,
- Updated the registration obligations to be complied by Reporting Liechtenstein Financial Institutions (RLFIs),
- Added a paragraph under the FATCA due diligence section regarding RLFI obligations to document the steps and evidence required as part of the FATCA due diligence obligation for a period of ten years. Further, if an RLFI is deleted, the documentation needs to be kept for ten years after the deletion of the Liechtenstein legal entity, at a location to be designated by the latter in Liechtenstein, and the tax administration should be informed of the storage location prior to deletion,
- Updated the section on reporting requirements related to missed deadline, information correction and deletion,
- Added section related to fulfillment of the obligations with respect to a deleted Liechtenstein legal entity,
- Added section on rights of the United States Reportable Specified Persons and Legal Entities who are Account Owners,

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- Updated section on confidentiality, data processing and data security,
- Updated section on controls on the Liechtenstein legal entity, which is carried out by the tax administration or an independent third party commissioned by it, and
- Updated section related to administrative offences, administrative criminal procedural rules, appeal in administrative criminal proceedings and entity liability with respect to a legal entity.

Additionally, the Tax Authority of Liechtenstein has provided with the following applicable transitional provisions based on the new amendments to the Act:

- The Liechtenstein legal entities that have not yet classified themselves for the FATCA Agreement by 31 December 2020 should do it by 31 December 2021,
- The Liechtenstein passive NFFE as of 31 December 2020, yet to provide the RLFIs with all controlling persons of the FATCA Agreement or that have not submitted any notification for changes that occurred up to this point in time, must do so by 31 December 2021,
- If the documentation related to due diligence is not available as of 01 January 2021, the legal entities are obliged to prepare it by 31 December 2021, and
- The RLFIs that are not registered with the tax administration as of 31 December 2020, must do so by 31 December 2021.

Further, the Tax Authority of Liechtenstein issued amendments to CRS Legislation which went into force on 01 January 2021.

Some of the updates to the legislation are as follows:

- Updates to the obligations of Liechtenstein legal entities and financial institutions,
- Updated definitions related to Active NFE and Passive NFE,
- Updated registration requirement by the RLFIs,
- Added a paragraph under AEOI due diligence related to the RLFIs' obligation to document the steps and evidence considered to carry out the AEOI due diligence obligations for a period of ten years. Further, if an RLFI is deleted, the documentation needs to be kept for ten years after the deletion of the Liechtenstein legal entity, at a location to be designated by the latter in Liechtenstein, and the tax administration should be informed of the storage location prior to deletion,



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- Updated the section on reporting requirement related to missed deadline, information correction and deletion,
- Added section related to fulfillment of the obligations with respect to a deleted Liechtenstein legal entity,
- Updated section on Rights and Obligations of Reportable Persons and Legal Entities who are Account Holders,
- Updated section on confidentiality, data processing and data security,
- Updated section on controls on the Liechtenstein legal entity, which is carried out by the tax administration or an independent third party commissioned by it, and
- Updated section related to administrative offences, administrative criminal procedural rules, appeal in administrative criminal proceedings and entity liability with respect to a legal entity.

Additionally, the Tax Authority of Liechtenstein provided the following applicable transitional provisions based on the new amendments to the Act:

- Liechtenstein passive NFEs which were voluntarily classified as investment companies must be classified again by 31 December 2021 and, in case of a change in classification, the respective RLF must be notified immediately and no later than 31 December 2021,
- Legal entities which did not comply with the notification obligation according to the previous law, and are considered as a RLF, must notify the classification by 31 December 2021 and the RLFs must treat Liechtenstein legal entities as passive NFEs as of 31 December 2021,
- If documentation related to due diligence is not available as of 01 January 2021, legal entities are obliged to prepare it by 31 December 2021, and
- RLFs that are not registered with the tax administration as of 31 December 2020, must do so by 31 December 2021.

References (German): [FATCA Legislation Amendment](#) [PDF 92KB] and [CRS legislation Amendment](#) [PDF 95KB]

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For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

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