

## KPMG AEOI Updates & Tracking Service FATCA/CRS Alert

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### United Kingdom: Issued Guidance on Redaction of Information on Human Rights Ground

On 12 December 2022, His Majesty's Revenue and Customs ("HMRC") issued guidelines instructing Financial Institutions (FIs) and individuals on the steps to take when there are human rights concerns with information being transmitted under the Automatic Exchange of Information (AEOI). FIs and individuals should apply to HMRC for a redaction of information if they have cause to believe that the information required by the AEOI agreements may endanger someone's rights. FIs are still required to provide all information to HMRC, since it is required by the AEOI regimes. However, if HMRC agrees to the redaction, HMRC will take out all information about that person, or those persons, from the information that is sent to other jurisdictions.

FIs or individuals who wish to apply for redaction should complete the application form found under *IEIM406120*, [here](#). The application form is not exhaustive. FIs or individuals should use the blank area in section F to highlight any additional relevant information. They should also make sure that any necessary supporting documentation is provided with the application. A separate form is required to be completed for each relevant jurisdiction for which a redaction is required.

The application for redaction should include the below details:

- A description of the reasons behind the redaction, including the rights that would be in jeopardy if the information is sent to the recipient jurisdiction.
- Whether the application concerns a single individual or a group of individuals (for example, a group of individuals to whom a charity makes grants).
- Evidence of the threat: This might include
  - Police report, documentary evidence of threats, other evidence of threats involving the jurisdiction in question, or

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— Testimony from individuals who have suffered human rights abuses in related and relevant circumstances.

An application for redaction can be submitted at any time by sending the above information to the mailbox - [enquiries.aeoi@hmrc.gov.uk](mailto:enquiries.aeoi@hmrc.gov.uk). Information relating to the previous calendar year must be submitted by 31 May each year. To provide HMRC time to assess before the reporting deadline, applications must be submitted by 30 April following the first year that the FIs or an individual becomes aware of the threat. After this date, if an FI or an individual becomes aware of a threat, they should get in touch with HMRC as soon as possible so that the situation may be examined before any data is shared. Receiving an application after 30 April will not be considered grounds for rejection.

Applications that have been accepted do not need to be renewed annually, but if circumstances change and the threat is reduced or no longer exists, FIs or the individual should get in touch with HMRC.

Any application for redaction that is denied will be accompanied by an explanation from HMRC, and the information will be reported for that year. If circumstances change, new information becomes available, or it is determined that HMRC did not fully consider all the pertinent facts and circumstances when making a decision, an FI or an individual may request the case to be reconsidered at any time. In cases where the potential threat to human rights from the exchange is still being investigated or challenged, HMRC will not exchange any data.

Reference: [Guidelines on Redaction of Information; Application Form](#) [PDF 448KB]

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

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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