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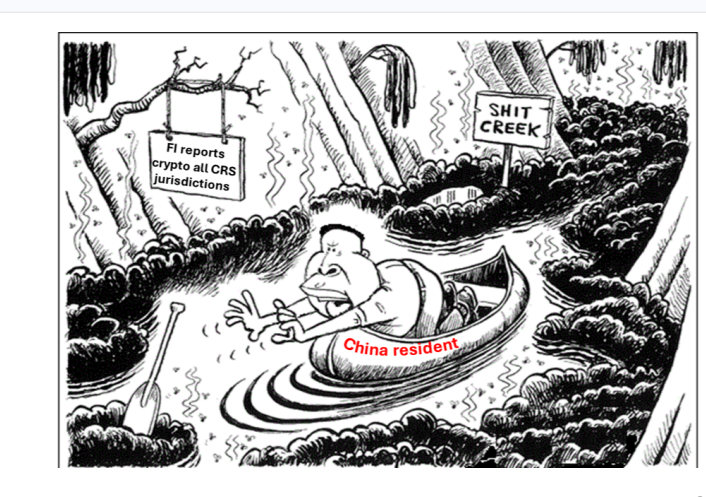


Switzerland publishes consulting list of 99 countries they will send crypto data. Shocker to see it includes countries not implementing CARF.

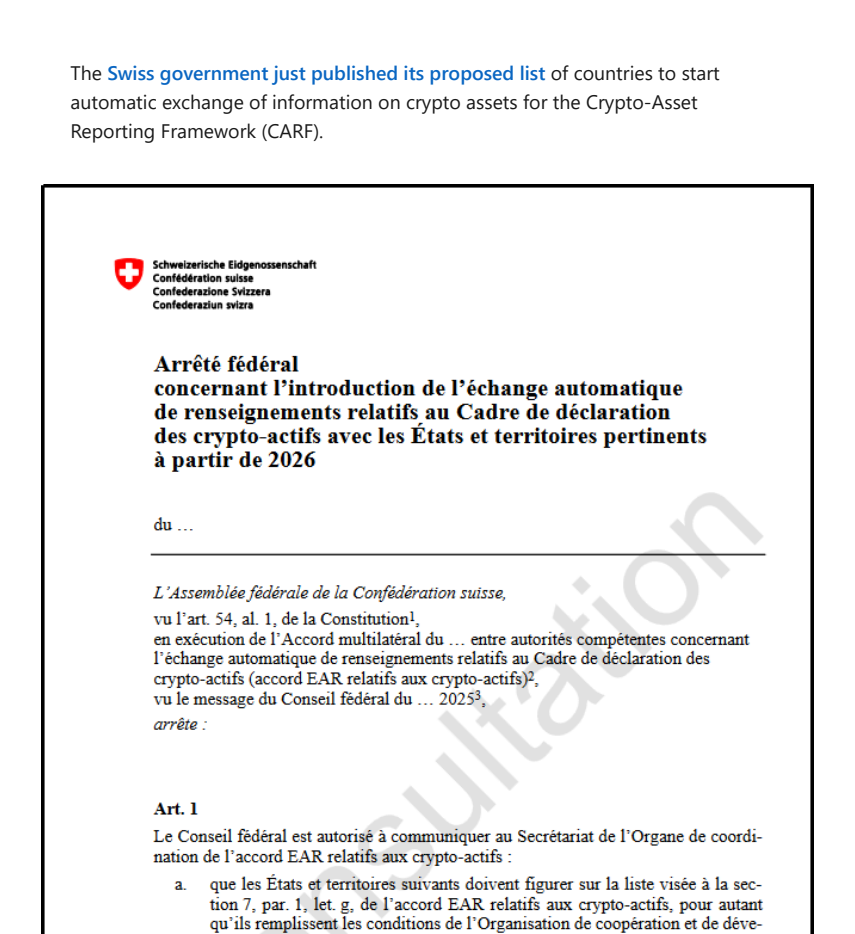
Mark Morris
CRS and CARF expert. No, truly.

August 21, 2024

THIS ARTICLE SHOWS CARF PARTICIPATING JURISDICTIONS WILL REPORT CRYPTO INFORMATION TO CARF NON-PARTICIPATING JURISDICTIONS.

THIS MEAN, SAY CHINESE WITH CRYPTO ACCOUNTS IN A CARF PARTICIPATING JURISDICTION WILL BE REPORTED EVEN IF CHINA IS NOT A CARF PARTICIPATING JURISDICTION

The Swiss government just published its proposed list of countries to start automatic exchange of information on crypto assets for the Crypto-Asset Reporting Framework (CARF).



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Arrêté fédéral
concernant l'introduction de l'échange automatique de renseignements relatifs au Cadre de déclaration des crypto-actifs avec les États et territoires pertinents à partir de 2026**

du …

L'Assemblée fédérale de la Confédération suisse,
vu l'art. 54, al. 1, de la Constitution[1],
en exécution de l'Accord multilatéral du … entre autorités compétentes concernant l'échange automatique de renseignements relatifs au Cadre de déclaration des crypto-actifs (accord EAR relatifs aux crypto-actifs)[2],
vu le message du Conseil fédéral du … 2025[3],
arrête :

Art. 1

Le Conseil fédéral est autorisé à communiquer au Secrétariat de l'Organe de coordination de l'accord EAR relatifs aux crypto-actifs :

a. que les États et territoires suivants doivent figurer sur la liste visée à la section 7, par. 1, let. g, de l'accord EAR relatifs aux crypto-actifs, pour autant qu'ils remplissent les conditions de l'Organisation de coopération et de développement économiques :
  1. Afrique du Sud,
  2. Albanie,
  3. Allemagne,
  4. Andorre,
  5. Anguilla,
  6. Antigua-et-Barbuda,
  7. Argentine,
  8. Arménie,
  9. Aruba,

> One summises from this list, is that Switzerland will send data to all its CRS participating jurisdiction partners, whether they implement CARF or not. This makes sense because according to Switzerland who is implementing CARF, crypto is a reportable Financial Asset just like any other CRS Financial Asset.

> For example see Singapore, Hong Kong, etc.

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CRS participating Countries Switzerland will not send CARF information to are Russia, Saudi Arabia, Azerbaijan, Brunei Darussala,  Ecuador, Ghana, Kuwait, Macao, Maldives,  Oman, Pakistan Qatar, People's Republic of China.

USA and Taiwan also not included.
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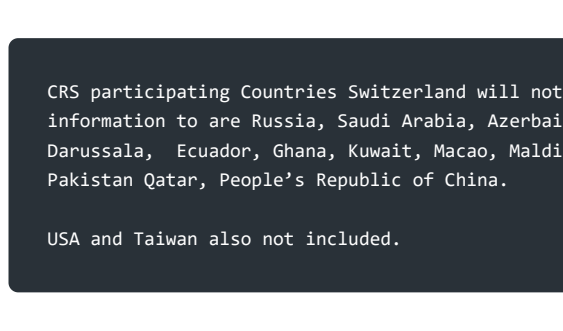
Questions


THAT IS AN EXCELLENT QUESTION

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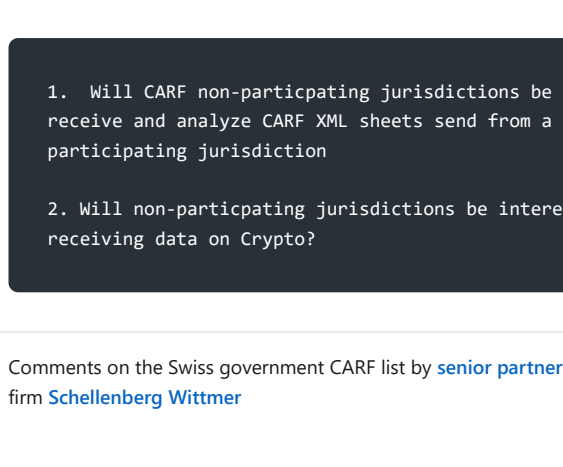
1.  Will CARF non-particpating jurisdictions be able to receive and analyze CARF XML sheets send from a CARF participating jurisdiction

2. Will non-particpating jurisdictions be intereste din receiving data on Crypto?
```

Comments on the Swiss government CARF list by senior partner from law firm Schellenberg Wittmer

1. The **USA** is not listed. According to the official report, "the USA announced that it is likely to implement CARF through bilateral agreements." So much for common reporting, but then again FATCA. I highly doubt US will exchange any data for crypto. Read "**So many educated, albeit ignorant dumbos, on linkedin celebrate the US pledging AEoI for crypto. Muppets think LHS cartoon is true but not the RHS!**"


USA political commitment to pursue legislation to achieve equivalent levels of reciprocal automatic exchange
2014 US political commitment for AEoI
2026
US CONGRESS
OECD
OECD
US CONGRESS
CRS
CARF

2. **Russia** is not listed. "Switzerland has suspended the AEOI on financial accounts with Russia on the grounds of public policy."

3. **Bulgaria** is back from the dead. Switzerland had deactivated Bulgaria in 2019 further to their massive data breach (cf. my prior post).

4a. **China** is on the secondary list. "Some countries, which are part of Switzerland's CRS network, are currently absent from the crypto-asset market because they prohibit or manage them restrictively. As a first step, these States should therefore not participate in AEOI on crypto assets."

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China with its human rights violation?
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4b. **Saudi Arabia** is also on the secondary list. "Some countries, which are part of Switzerland's CRS network, are currently absent from the crypto-asset market because they prohibit or manage them restrictively. As a first step, these States should therefore not participate in AEOI on crypto assets."

5. **Update every four years:** As to the control mechanism, the Federal Council intends to submit its report on the results of the country examinations to Parliament every 4 years only. "Where there are doubts whether a partner State is implementing the AEOI in accordance with the standard, or where the OECD has ordered measures against a State, the Federal Finance Dept must carry out additional clarifications. In doing so, it must rely primarily on OECD analyses and information, as these sources have proved to be the most reliable and comprehensive. If, for certain partner States, there are indications that the AEOI application may present problems (e.g. legal or technical implementation difficulties, data security incidents, **human rights violations** in relation to the AEOI), the situation should be clarified as part of an in-depth review, considering all possible sources. It should be noted that the purpose of the monitoring mechanism is not to make a general assessment of the rule of law or human rights in the partner States, but is limited to verifying that the legal and practical implementation of the AEOI meets the requirements of the standards and is in line with the objectives of the agreements."

6. This proposal is currently under consultation until November 15th

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Translation from French into English using Google Translate

Federal Decree concerning the control mechanism to ensure the implementation in accordance with standards by the partner States of the automatic exchange of information relating to financial accounts and the automatic exchange of information relating to the Framework for reporting crypto-assets

The Federal Assembly of the Swiss Confederation, having regard to Art. 54, para. 1, of the Constitution1, in implementation of the Multilateral Agreement of ... between competent authorities on the automatic exchange of information relating to the Reporting Framework for Crypto-Assets (AEOI Agreement on Crypto-Assets)2, having regard to the message from the Federal Council of ... 20253, decrees:

Art. 1

The Federal Council is authorised to notify the Secretariat of the Coordination Body of the AEI Agreement on Crypto-Assets:

a. that the following States and territories should be included in the list referred to in Section 7, para. 1, let. g, of the EAR Agreement relating to crypto-assets, provided that they meet the conditions of the Organisation for Economic Co-operation and Development:

1. South Africa
2. Albania
3. Germany
4. Andorra
5. Anguilla
6. Antigua and Barbuda
7. Argentina
8. Armenia
9. Aruba
10. Australia
11. Austria
12. Bahamas
13. Bahrain
14. Barbados
15. Belgium
16. Belize
17. Bermuda
18. Brazil
19. Bulgaria
20. Canada
21. Chile
22. Cyprus
23. Colombia
24. South Korea
25. Costa Rica
26. Curaçao
27. Denmark
28. Dominica
29. United Arab Emirates
30. Spain (incl. Canary Islands),
31. Estonia
32. Finland (incl. Åland)
33. France (incl. Guadeloupe, French Guiana, Martinique, Mayotte,

Réunion, Saint-Martin)

34. Gibraltar
35. Greece
36. Grenada
37. Greenland
38. Guernsey
39. Hong Kong
40. Hungary
41. Isle of Man
42. Cayman Islands
43. Cook Islands
44. Faroe Islands
45. Marshall Islands
46. Turks and Caicos Islands
47. British Virgin Islands
48. India
49. Indonesia
50. Ireland
51. Iceland
52. Israel
53. Italy
54. Jamaica
55. Japan
56. Jersey
57. Kazakhstan
58. Kenya
59. Latvia
60. Lebanon
61. Liechtenstein
62. Lithuania
63. Luxembourg
64. Malaysia
65. Malta
66. Mauritius
67. Mexico
68. Monaco
69. Montserrat
70. Nauru
71. Nigeria
72. Niue
73. Norway
74. New Caledonia
75. New Zealand
76. Panama
77. Netherlands (incl. Bonaire, Sint Eustatius, Saba)
78. Per,
79. Poland
80. Portugal (incl. Azores, Madeira)
81. Romania
82. United Kingdom
83. Samoa
84. Saint Kitts and Nevis
85. Saint Lucia
86. San Marino
87. Saint Vincent and the Grenadines
88. Seychelles
89. **Singapore**
90. Sint Maarten
91. Slovakia,
92. Slovenia,
93. Sweden,
94. Czechia,
95. Thailand,
96. Turkey
97. Ukraine
98. Uruguay
99. Vanuatu

b. from what moment the automatic exchange of information relating to crypto-assets with the partner state concerned must take place.

Art. 2

This Order is not subject to referendum

Countries on the secondary list: Switzerland will not send data to these 12 countries (plus USA and Russia as well) until the problems are resolved such as Human Rights, technical, OECD guidance, etc...

The Federal Assembly of the Swiss Confederation, having regard to Art. 54, para. 1, of the Constitution1, in implementation of the Multilateral Agreement of ... between competent authorities on the automatic exchange of information relating to the Reporting Framework for Crypto-Assets (AEOI Agreement on Crypto-Assets), having regard to the message from the Federal Council of ... 20253, decrees:

Art. 1

The Federal Council is authorised to notify the Secretariat of the Coordination Body of the AEI Agreement on Crypto-Assets:

Introduction of automatic exchange of information relating to the FF 2025 Framework for reporting crypto-assets with States and territories that may become relevant after 2026. AF

a. that the following States and territories should be included in the list referred to in Section 7, para. 1, let. g, of the EAR Agreement relating to crypto-assets, provided that they meet the conditions of the Organisation for Economic Co-operation and Development:

b. from which point in time the automatic exchange of information relating to crypto-assets with the relevant Partner State must take place.

1. Saudi Arabia
2. Azerbaijan
3. Brunei Darussalam
4. Ecuador
5. Ghana
6. Kuwait
7. Macao
8. Maldives
9. Oman
10. Pakistan
11. Qatar
12. People's Republic of China

Art. 2

This decree is not subject to referendum

The Federal Department of Finance (FDF) is examining, with a view to implementing the automatic exchange of information (AEOI) on the basis of the multilateral agreement of 29 October 2014 between competent authorities on the automatic exchange of information relating to financial accounts (AEOI Agreement on financial accounts)4 and the multilateral agreement of ... between competent authorities on the automatic exchange of information relating to the Crypto-Asset Reporting Framework (AEOI Agreement on crypto-assets), whether the partner states meet the conditions for standard-compliant implementation of the relevant automatic exchange of information.

2 On the basis of the information available from the Organisation for Economic Co-operation and Development (OECD), it examines in particular whether the following conditions are met:

a. the partner state has the necessary legal provisions for implementing the relevant AEI; it must in particular comply with the principle of speciality,

Federal Decree on the control mechanism to ensure the FF 2025 standard-compliant implementation by the Partner States of the automatic exchange of financial account information and the automatic exchange of information relating to the Crypto-Asset Reporting Framework. AF according to which the information may be used only for the purposes provided for in the relevant agreement;

b. the status of confidentiality and data protection measures exchanged in the Partner State corresponds to the requirements of the relevant AEOI agreement;

c. the Partner State has an adequate network of Partner States, including major competing financial centres, with which it implements the relevant AEOI;

d. the secretariat of the coordination body of the AEOI agreement relating to financial accounts or the secretariat of the coordination body of the AEOI agreement relating to crypto-assets have not received a notification concerning a breach of the confidentiality provisions or a failure of the protective measures in the partner state;

e. the Swiss authorities responsible for implementing the AEOI concerned have not established that, pursuant to Art. 21 of the Convention of 25 January 1988 on Mutual Administrative Assistance in Tax Matters6, Switzerland is not obliged to automatically exchange information relating to financial accounts or crypto-assets on the basis of the general situation or in the individual case;

f. persons affected by the data exchange are not exposed to procedures in the partner state that, in the context of the exchange of tax information, could verifiably involve or result in serious human rights violations.

3 The review is risk-based. If information on financial accounts or crypto-assets is to be exchanged for the first time with a partner state, the latter must be subject to a thorough review before the data exchange.

4 The FDF shall carry out further clarifications where there are doubts as to the standard-compliant implementation by a partner state or where the OECD has taken measures against a partner state.

Art. 2

1 Before the exchange of information is implemented, the FDF shall inform the relevant parliamentary committees of:

a. the results of the reviews,

b. relevant developments,

c. of any measures that Switzerland has taken or is to take with respect to a partner state.

Federal Decree on the control mechanism to ensure the FF 2025 standard-compliant implementation by partner states of the automatic exchange of financial account information and the automatic exchange of information relating to the Crypto-Asset Reporting Framework. AF

2 Incidents that have or could have significant impacts on the AEOI must be reported without delay to the competent parliamentary committees.

Art. 3

The Federal Council shall submit a report on the results of the examinations to the competent parliamentary committees every four years.

Art. 4

The Federal Decree of 6 December 2017 on the control mechanism to ensure the standard-compliant implementation of the automatic exchange of financial account information with partner states from 2018/20197 is repealed

Art. 5

This decree is not subject to referendum

Is CARF ineffective?

- Use a Crypto Asset Service Provider (Reporting FI) in a CARF non-particpating jurisdiction

- Use a sham work permit + TIN + leased apartment in Singapore

- Read "**The best confidential structure for FATCA, CRS and CARF, without exception. Use nominee/agents instead of investment entities.**"

Hide your crypto with a Gibraltar trustee in a broad based retirement plan. Read "**The thieving CRS monkeys of Gibraltar cannot let go of their pension bananas to unload on ignorants**".

Embed your crypto in a Active NFE. Read "**How to convert a reportable Passive NFE into a non-reportable Active NFE by sleight of hand**"

Hold crypto in a listed entity or a related to a listed entity

- Split ownership of Passive NFE below 25%

Etc...

===========================END=====================================

Mark Morris
CRS and CARF expert. No, truly.

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