

**TITLE 48 - TAXATION**  
**CHAPTER 5 - AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT**  
**INFORMATION ACT 2016**



Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT**  
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**AN ACT** to implement the RMIs obligations arising under an agreement for the implementation of the international standards of automatic exchange of information in Tax Matters.

*Commencement:*

*October 18, 2016*

*Source:*

*P.L. 2016-27*

**§501. Short title.**

This Act may be cited as the Automatic Exchange of Financial Account Information Act 2016.

**§502. Interpretation.**

- (1) In this Chapter, unless the context otherwise requires:
  - (a) “**agreement**” means:
    - (i) the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, as amended by the 2010 Protocol, and the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information, which together provide for the exchange of information on an automatic basis as described in the Standard, signed by the Government of

- the Republic of the Marshall Islands, as amended from time to time; or
- (ii) any other agreement or arrangement between the Government of the Republic of the Marshall Islands and the government of another country which makes provisions corresponding, or substantially similar, to that made by the agreement referred to in paragraph (1)(a)(i), including an intergovernmental agreement between the Government of the Republic of the Marshall Islands and the Government of the United States of America to implement FATCA;
- (b) “**designated person**” means, with respect to any function, the person of the Ministry of Finance designated to carry out that function;
  - (c) “**FATCA**” means the provisions commonly known as the Foreign Account Tax Compliance Act, within the United States of America Hiring Incentives to Restore Employment Act;
  - (d) “**information return**” means a report, setting out certain information as specified by regulations made under this Chapter, which a reporting financial institution is required to file with the Secretary;
  - (e) “**Minister**” means the Minister of Finance or his designee, including but not limited to the Secretary of Finance;
  - (f) “**Secretary**” means the Secretary of Finance;
  - (g) “**Standard**” or “**CRS**” means the Common Reporting Standard, including the Commentaries thereon, approved by the Council of the Organisation for Economic Co-operation and Development on 15 July 2014, which contains reporting and due diligence procedures for the exchange of information on an automatic basis, as amended from time to time.
- (2) In this Chapter, “**financial account**” has the meaning given that expression by Section VIII of the Standard.
  - (3) For the purposes of this Chapter, the Standard is to be read as if the definition “**Reporting Financial Institution**” in subparagraph A(1) of Section VIII of the Standard read as follows:

- (4) The term “**Reporting Financial Institution**” means any Republic of the Marshall Islands Financial Institution that is not a non-reporting financial institution. The term “**Republic of the Marshall Islands Financial Institution**” means: (i) any Financial Institution that is resident in Republic of the Marshall Islands, but excludes any branch of that Financial Institution that is located outside of Republic of the Marshall Islands; and (ii) any branch of a Financial Institution that is not resident in Republic of the Marshall Islands, if that branch is located in Republic of the Marshall Islands.

### §503. Objectives.

The objectives of this Chapter are:

- (a) to provide for the implementation of the CRS and automatic exchange of information between the Government of the Republic of the Marshall Islands and any other government with which it reached an agreement;
- (b) to provide for the implementation of the Republic of the Marshall Islands FATCA agreement with the United States of America; and
- (c) to facilitate the automatic exchange of information between the Government of the Republic of the Marshall Islands and other foreign governments.

### §504. Powers of the Minister.

The Minister shall have the authority to take any and all steps necessary to implement the objectives of this Chapter.

### §505 Agreement – force of law.

Any properly executed agreement shall have the force of law in the Republic of the Marshall Islands.

### §506. Inconsistent laws.

In the event of any inconsistency between the provisions of this Chapter or an agreement and the provisions of any other law, the provisions of this Chapter or the agreement prevail to the extent of the inconsistency.