(Raising Spontaneous Exchange)

Taxpayers file tax returns in accordance with tax laws

The tax authority considers that the information acquired lawfully is foreseeably relevant for carrying out audit by the other Contracting Party and then decides to provide such information. (Paragraph 1 of Article 15)

The tax authority verifies that the information is foreseeably relevant for carrying out tax audit and satisfies the requirements of the underlying tax agreement (complying with the requirements of Article 4 and not falling under any of the situations prescribed in Articles 5 and 6), then draft a request letter, and submits to the Competent Authority. (Article 15)
The Competent Authority may apply mutatis mutandis the above-mentioned procedures when raising a spontaneous exchange. (Article 17)

Meet all requirements of Article 16

No

Yes

The Competent Authority drafts a letter (Article 16)

Providing information

The Competent Authority shall verify the following: (Article 16)
1. Information is foreseeably relevant for carrying out tax audit.
2. Specific requirements:
   1) Primary requirements (Article 4): complying with the requirements of persons covered, taxes covered, and period covered based on the underlying tax agreement.
   2) Implementing requirements (Article 5): not falling under any of the following situations: (a) to carry out administrative measures at variance with the laws and administrative practice of either Contracting Party; (b) to supply information which is not obtainable under the laws or in the normal course of the administration of either Contracting Party; (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information; (d) to supply information which would be contrary to public policy or public order; (e) to fulfill other duties to which either Contracting Party is not obligated in accordance with the provisions of the applicable agreement on tax matters.
   3) Prohibition (Article 6): the other Contracting Party shall not have any of the following situations: (a) not being able to equally provide the same kind of information; (b) obviously having difficulty keeping the received information confidential.