Persons in information exchange

Who is an information provider

The information provider may be any person who has personally or through other persons supplied services related to an arrangement to a taxable person. Services related to an arrangement include the service of developing, marketing, making available or organizing or managing the implementation of a reportable arrangement, as well as the provision of assistance and advice in the provision of those services. In certain cases, a taxable person may also be the information provider (more in chapter **"In which cases do the obligations of the information provider transfer"**).

A person who can be presumed not to have known or should not have known that the service provided or the assistance or advice provided upon the provision of the service was related to a reportable arrangement is not an information provider. Similarly, persons who analyse issues of international taxation in the course of research and teaching are not information providers.

Who is a taxable person concerned

In the context of the exchange of information on reportable arrangements, the taxable person concerned is a person:

- ✓ to whom the reportable arrangement has been made available by a service provider;
- ✓ whose team has developed the arrangement;
- ✓ who is willing to implement the reportable arrangement (including, for example, if the arrangement is ordered by a person related to the person, e.g. a subsidiary); or
- ✓ who has implemented its first stage.

Who are related persons in the exchange of information on cross-border arrangements

In the context of exchange of information on cross-border arrangements, the related person is a person:

- ✓ who participates in the management of the other person in a position that provides an opportunity to significantly influence the activities of another person, and
- ✓ who holds more than 25 per cent of the share capital or stock or the total number of voting rights of one legal person or at least 25 per cent of the right to receive profit.

In addition, related persons are also persons who jointly control the same person.

The definition of related parties includes both direct and indirect holding. If a person has indirect holding in another person's capital, the amount of indirect holding shall be determined by multiplying the size of the holding in the undertaking by the amount of holding in each successive subsidiary. The multiplication of holdings makes it possible to determine the amount of indirect holding (percentage) in the indirectly controlled undertaking. For example, if a person has a holding of 80% in undertaking A and that undertaking has a 50% holding in undertaking B, it is apparent from multiplying those holdings that the indirect holding of a person in that undertaking (B) is 40%, which means that the person is a related person. A person who holds more than 50% of the voting rights is considered to have full voting rights. The term 'capital' has been used to include in the definition not only share capital or stock but also shareholdings in other types of legal persons established abroad.

Related persons also include natural persons in respect of whom family (i.e. the spouse or partner of the person, children and parents) is treated as a single person in the context of the exchange of information on reportable arrangements.

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