
INDUSTRY UPDATE

Date: 23 December 2015

Common Reporting Standard (CRS) Update

Introduction

The Common Reporting Standard (CRS) was developed by the Organisation for Economic Co-operation and Development (OECD) to put a global model of automatic exchange of information into practice and draws extensively on the intergovernmental approach taken in order to implement the Foreign Account Tax Compliance Act (FATCA).

The Isle of Man made an early commitment to the CRS and in 2014 signed the [Multilateral Competent Authority Agreement](#). In October 2015 Tynwald also approved the [Income Tax \(Common Reporting Standard\) Regulations 2015](#) which set out how the CRS should be implemented by Isle of Man Entities.

As an 'early adopter' of the CRS, the new account opening procedures for the CRS will be effective in the Isle of Man from **1 January 2016**.

Guidance

As a single, global standard for automatic exchange of information the CRS relies upon all committed jurisdictions operating its provisions in a consistent manner.

The OECD's publication on the [Standard for Automatic Exchange of Financial Account Information](#) provides detailed commentaries on all aspects of the CRS and Isle of Man Financial Institutions are encouraged to refer to this document for guidance in the first instance.

In addition, further guidance on practical aspects and the operation of the CRS can also be found in the OECD's [CRS Implementation Handbook](#).

The Assessor also intends to publish an Isle of Man CRS Guidance Note in early 2016 which will:

- clarify the options the Isle of Man has taken in respect to the CRS,
- highlight relevant differences between FATCA and the CRS from an Isle of Man perspective,
- provide practical guidance on what to report and how to report it to the Assessor, and
- detail the penalties and anti-avoidance measures that the Assessor may use in the case of non-compliance by an Isle of Man Financial Institution

Self-Certifications

In order to assist Isle of Man Financial Institutions the Assessor will also be making example Entity and Individual Self-Certification Forms available on the Income Tax Division's website shortly.

The purpose of these forms is to assist Isle of Man Financial Institutions by illustrating how the information required by FATCA and the CRS can be collected from Account Holders. However, they are merely a guide and Isle of Man Financial Institutions are free to use their own forms and wording.

It is expected that all Isle of Man Financial Institutions will maintain account opening processes that facilitate the collection of a valid Self-Certification at the time an account is opened. However, it is accepted that there may be certain circumstances where it is not possible or practical to obtain a Self-Certification on 'day one' of the account opening process. In such circumstances, it is expected that a valid Self-Certification will be obtained within a period of 90 days.

Further information on self-certification compliance will be included in the Isle of Man guidance note in due course.

Participating Jurisdictions

Isle of Man Financial Institutions may consider any jurisdiction that has made a commitment to implement the CRS as a Participating Jurisdiction, as listed below:-

Albania	Finland	Netherlands
Andorra	France	New Zealand
Anguilla	Germany	Niue
Antigua & Barbuda	Ghana	Norway
Argentina	Gibraltar	Panama
Aruba	Greece	Poland
Australia	Greenland	Portugal
Austria	Grenada	Qatar
Bahamas	Guernsey	Romania
Barbados	Hong Kong	Russia
Belgium	Hungary	Saint Kitts & Nevis
Belize	Iceland	Saint Lucia
Bermuda	India	Saint Vincent & the Grenadines
Brazil	Indonesia	Samoa
British Virgin Islands	Ireland	San Marino
Brunei Darussalam	Israel	Saudi Arabia
Bulgaria	Italy	Seychelles
Canada	Japan	Singapore
Cayman Islands	Jersey	Sint Maarten
Chile	Korea	Slovak Republic
China	Latvia	Slovenia
Colombia	Liechtenstein	South Africa
Cook Islands	Lithuania	Spain
Costa Rica	Luxembourg	Sweden
Croatia	Macao	Switzerland
Curacao	Malaysia	Trinidad & Tobago
Cyprus	Malta	Turkey
Czech Republic	Marshall Islands	Turks & Caicos Islands
Denmark	Mauritius	United Arab Emirates
Dominica	Mexico	United Kingdom
Estonia	Monaco	Uruguay
Faroe Islands	Montserrat	

The Participating Jurisdiction list will also be included in the Isle of Man's forthcoming guidance note and will be updated at least once a year. A list of Reportable Jurisdictions will also be made available in 2016.

Nicola Guffogg
Assessor of Income Tax