
INDUSTRY ADVISORY NOTICE

Date: 01 March 2016

AUTOMATIC EXCHANGE OF INFORMATION - UPDATE

CRS GUIDANCE

Earlier today the Income Tax Division published its CRS Guidance Note, GN 53 'The Common Reporting Standard Isle of Man Regulations – Application of the CRS for Isle of Man Financial Institutions'.

The main purpose of the Isle of Man Guidance Note is to:-

- 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.

The CRS is a single, global standard for automatic exchange of information to better fight tax evasion and ensure tax compliance. Therefore, in order for it to be implemented effectively, it is imperative that all committed jurisdictions operate its provisions in a consistent manner.

For that reason the Isle of Man Guidance Note does not cover in detail the universal matters, applicable to all committed jurisdictions, which are covered in the OECD's Commentaries on the [Standard for Automatic Exchange of Financial Account Information in Tax Matters](#).

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

A Financial Institution **must** apply the Isle of Man Regulations in force at the time with reference to the CRS itself, the OECD's guidance and lastly, the Isle of Man's own published guidance.

Please note, the guidance has been prepared by the Division in consultation with the Isle of Man's AEOI working group, made up of industry representatives. During the consultation process a number of questions have been raised and as these issues are not specific to the Isle of Man they have now been raised with the OECD for consideration, including:-

- whether the use of the US FATCA IGA and UK IGA definitions of Investment Entity can be applied in respect of the CRS,
- reporting in respect of Corporate Trustees,
- cash – is it a Financial Asset, and
- reporting in respect of Charities that are Beneficiaries.

Further guidance on these issues will therefore be provided in due course.

UK ARR

Also today, the Assessor made an Excel template available on the [FATCA/CRS](#) page of the Division's website which is to be used for reporting by any Isle of Man Financial Institutions offering the Alternative Reporting Regime to Account Holders (Annex IV of the UK IGA).

Information Providers' Online Service

Later this month the Income Tax Division will launch the Information Providers' Online Service on <https://services.gov.im/income-tax/>

The service will allow Isle of Man Financial Institutions, their Sponsors, Third Parties and Paying Agents to securely upload files to the Assessor in order to meet their international and domestic reporting obligations in respect of the following:-

- US FATCA
- UK IGA
- UK ARR
- EUSD
- Section 78
- Section 78A, and
- CRS (from 2016)

To enrol for the service you will first need to complete a registration form (soon to be made available on the FATCA/CRS page of the Division's website) in order to be assigned an Information Provider's Tax Reference Number. At the same time you will also be issued the necessary security and activation code to complete your enrolment online.

Mailing List

To receive email updates from the Income Tax Division regarding the Isle of Man's International Agreements and Automatic Exchange of Information you may wish to consider joining the AEOI mailing list at the link below:-

<https://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/fatca-and-common-reporting-standard/mail-list-contact-form/>

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