

Statutory Document No. 2017/0056



Income Tax Act 1970

INCOME TAX (COMMON REPORTING STANDARD) (AMENDMENT) REGULATIONS 2017

Approved by Tynwald: 21 February 2017

Coming into Operation in accordance with article 2

The Treasury makes the following Regulations under section 104D of the Income Tax Act 1970.

1 Title

These Regulations are the Income Tax (Common Reporting Standard) (Amendment) Regulations 2017.

2 Commencement

If approved by Tynwald¹, these Regulations come into operation on the day after they are approved.

3 Amendment of the Income Tax (Common Reporting Standard) Regulations 2015

(1) The Income Tax (Common Reporting Standard) Regulations 2015² are amended as follows.

(2) In regulation 3 (interpretation) –

(a) in paragraph (1) –

(i) in the definition of “the CRS”, after “financial account information”, insert **“in tax matters and its commentaries**;

(ii) for the definition of “reportable account” substitute –

“Isle of Man reportable account” is to be construed in accordance with regulation 5.;

(b) in paragraph (3) –

¹Tynwald approval is required by section 104D(5) of the Income Tax Act 1970.

² SD 2015/0323

- (i) in the column headed “Expression”, for “reportable account”, substitute **“Passive NFE”**; and
 - (ii) in the column headed “Reference”, for “Section VIII, D.1”, substitute **“Section VIII, D.8”**.
- (3) For the heading of regulation 5 (meaning of “Reportable Account”), substitute **“Meaning of “Isle of Man Reportable Account”**.
- (4) In regulation 5 –
 - (a) in paragraph (1), for “a reportable account”, substitute **“an Isle of Man reportable account”**;
 - (b) for sub-paragraph (a), substitute –
 - (a)** means an account which is held by one or more persons, or a Passive NFE with one or more Controlling Persons, that has been identified as being resident in any of the jurisdictions listed as an Isle of Man Reportable Jurisdiction for the reporting year by the Assessor; and
 - (c) for paragraph (2), substitute –
 - (2)** Despite paragraph (1) –
 - (a) a person for the purposes of paragraph (1)(a) does not include –
 - (i) a corporation, the stock of which is regularly traded on one or more established securities markets;
 - (ii) any corporation that is a Related Entity of a corporation described in (i);
 - (iii) a Governmental Entity;
 - (iv) an International Organisation;
 - (v) a Central Bank; or
 - (vi) a Financial Institution;
 - (b) an account listed as an excluded account in Schedule A is not an Isle of Man reportable account; and
 - (c) an account within paragraph (1)(b) is not an Isle of Man reportable account in relation to a reporting financial institution for a calendar year if there is an election by that institution which has effect for that year to treat all such accounts, or a clearly identified group of such accounts, as not being Isle of Man reportable accounts.
 - (d) in paragraph (10), for “passive non foreign entity”, substitute **“Passive NFE”**.

- (5) In regulation 6 (due diligence requirements) –
 - (a) in paragraph (1), for “reportable accounts”, substitute “Isle of Man reportable accounts”; and
 - (b) in paragraph (9), for “a reportable account”, substitute “an Isle of Man reportable account”.
- (6) In regulation 7 (reporting obligations) –
 - (a) in paragraph (1), for “reportable account”, substitute “Isle of Man reportable account”; and
 - (b) in paragraph (2), for “a reportable account”, substitute “an Isle of Man reportable account”.
- (7) In Schedule A, at the beginning for “For the purposes of the CRS the following are excluded accounts” substitute “For the purposes of the CRS the term “excluded account” means any of the accounts listed in Section VIII, C.17(a) – (f) of the CRS and in the Isle of Man also includes:
”.

MADE 23 JANUARY 2017

A L CANNAN
Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made under section 104D of the Income Tax Act 1970. They amend the Income Tax (Common Reporting Standard) Regulations 2015 which give effect to the arrangements reached between the Government of the Isle of Man and other jurisdictions to improve international tax compliance.

The amendments facilitate the provision of information from reporting financial institutions to the Assessor.

As a result of these amendments, any reference in the Explanatory Note of the 2015 Regulations to a reportable account should now be read as referring to an Isle of Man reportable account.