



**Isle of Man  
Government**

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# The Treasury *Yn Tashtey*

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## **INDUSTRY ADVISORY NOTICE**

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**Date: 22 June 2021**

### **AUTOMATIC EXCHANGE OF INFORMATION – JUNE 2021 UPDATE**

This industry update is applicable to all Isle of Man Financial Institutions, Third Parties and Sponsors as it provides important updates in respect of the Common Reporting Standard ('CRS') and FATCA.

#### **FILING DEADLINES - CRS & FATCA**

Isle of Man Financial Institutions are reminded that the filing deadline for the 2020 reporting period is approaching. CRS and FATCA returns should be filed, in the prescribed XML format through the Information Providers' Online Service, no later than **30 June 2021**.

Isle of Man Financial Institutions filing after this date will be liable to an initial late filing penalty of **£300** and daily penalties of at least **£60 per day** until the outstanding returns are filed.

Isle of Man Financial Institutions are reminded that, following Tynwald's recent approval (see below) of the [Income Tax \(Common Reporting Standard\)\(Amendment\) Regulations 2021](#) and the [International Tax Compliance \(United States of America\)\(Amendment\) Regulations 2021](#), penalties will be issued for both the CRS **and** FATCA this year.

In addition, daily default penalties will begin to accrue in respect of late returns **immediately** regardless of whether the initial £300 penalty has been issued or not.

#### **CRS SCHEMA**

Changes to the Information Providers' Online Service that have been in effect since 1 December 2020 mean Isle of Man Financial Institutions **must use** version 2.0 of the CRS schema. CRS data prepared using the old version 1.0 cannot be filed and, for the avoidance of doubt, the Assessor will not allow the preparation of a version 1.0 XML file to be a reasonable excuse, if the version 2.0 XML file is submitted after the 30 June 2021.

For more information about the CRS Schema version 2.0, please refer to the [Industry Advisory Notice dated 26 November 2020](#) and the CRS guidance note [GN53](#).

#### **AMENDED CRS & FATCA REGULATIONS**

Earlier this month (16 June 2021) Tynwald approved a series of amendments to the Isle of Man's CRS and FATCA Regulations.

The [Income Tax \(Common Reporting Standard\)\(Amendment\) Regulations 2021](#) clarify and amend the penalty provisions for failures in respect of the CRS by:

- Confirming that penalties issued under Regulation 12, for failing to comply with any aspect of the regulations, can be imposed up to £300 **per account** except where the failing is in respect of late filing where the penalty will be £300 **per return per Isle of Man Financial Institution**;
- Deeming the issue date of a Regulation 12 penalty issued in respect of late filing to be the day after the return should have been submitted in order that daily default penalties under Regulation 13 will begin to accrue immediately thereafter without the need for the Regulation 12 penalty to have already been issued;
- Amending Regulation 14 to allow the Assessor to issue a penalty of up to **£10,000** to Isle of Man Financial Institutions that are found to be **significantly non-compliant**, in addition to any further penalties issued under Regulations 12 and 13;
- Explicitly stating the Assessor's ability to reduce penalties where there are sufficient mitigating circumstances; and
- Including a provision to allow the Assessor to **prosecute** any Isle of Man Financial Institution that fails to file CRS data where that reportable data is still outstanding 6 months after the filing date.

The [International Tax Compliance \(United States of America\)\(Amendment\) Regulations 2021](#) introduce civil penalty provisions for failures in respect of FATCA. These provisions are entirely aligned with the penalties that can be issued under the CRS regulations, as amended and explained above.

For ease of reading, given both sets of regulations have been amended on a number of occasions since they were first approved in 2014 (FATCA) and 2015 (CRS), unofficial consolidated copies of the regulations have been published on the Income Tax Division's website:

- [Unofficial Consolidated Isle of Man CRS Regulations](#)
- [Unofficial Consolidated Isle of Man FATCA Regulations](#)

The CRS guidance note, [GN53](#), and the FATCA guidance note, [GN55](#), will both be updated in due course to reflect the amended penalty provisions.

**Nicola Guffogg**  
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