INDUSTRY ADVISORY NOTICE

Date: 01 October 2020

AUTOMATIC EXCHANGE OF INFORMATION – CbCR SCHEMA UPDATES

This industry update is applicable to all Isle of Man Reporting Entities and provides important updates in respect of Country-by-Country Reporting ('CbCR').

CbCR Schema Update – (Version 2.0)
The CbCR schema prescribed by the OECD is being updated. This is the first update since the initial schema was launched in 2017 and makes some changes in relation to the collection of data.

As a result of the global COVID-19 pandemic, the implementation date for international exchanges using the XML version 2.0 schema has been delayed by one month to 1 February 2021. However, as the Assessor will need to ensure all submissions made by Isle of Man Reporting Entities are exchanged on time in accordance with the relevant international agreements, the Online Information Providers Service will change to accept **only** the version 2.0 format on **1 December 2020**.

The CbCR XML Schema v2.0 can be found, along with its user guide, at the links below:

Schema XSD - http://www.oecd.org/ctp/exchange-of-tax-information/CbC-Schema-v2.0.zip

User Guide -   http://www.oecd.org/tax/beps/country-by-country-reporting-xml-schema-user-guide-for-tax-administrations-june-2019.pdf

Key Changes

Empty Elements
Empty elements are no longer allowable for CbCR exchanges and the 2.0 schema treats these as invalid.

Where an element is optional, rather than mandatory and there is no data to provide (for example, the 'FloorIdentifier' element of an address, where there is no floor identifier) then the element should be excluded from the schema file altogether rather than being left empty.

This is relevant throughout the CbCR XML file. As described in Fig1 and correctly shown in Fig2 below.

```
Fig1
<cbc:AddressFix>
<cbc:Street>Test</cbc:Street>
<cbc:BuildingIdentifier>A</cbc:BuildingIdentifier>
<cbc:SuiteIdentifier/>
<cbc:FloorIdentifier/>
<cbc:DistrictName/>
<cbc:POB/>
<cbc:PostCode/>
<cbc:City>Example</cbc:City>
</cbc:AddressFix>
```

```
Fig2
<AddressFix>
<Street>Test</Street>
<BuildingIdentifier>A</BuildingIdentifier>
<City>Example</City>
</AddressFix>
```

Updated Namespaces

All Isle of Man Reporting Entities must ensure that their files contain the updated v2.0 XML Schema Instance Namespace at the start of their report in order for it to validate.

```
Fig3 – Version 1.0
<cbc:CBC_OECD xmlns:cbc="urn:oecd:ties:cbc:v1" xmlns:stf="urn:oecd:ties:stf:v4">
```

```
Fig4 – Version 2.0
<cbc:CBC_OECD xmlns:cbc="urn:oecd:ties:cbc:v2" xmlns:stf="urn:oecd:ties:cbcstf:v5">
```

Reporting Period

This new mandatory section of the v2.0 XML Schema requires the inclusion of the start and end dates of the period.

Isle of Man validation also requires that the end date noted here is consistent with the ReportingPeriod date within the MessageSpec.

```
</cbc:Entity>
<cbc:ReportingRole>CBC701</cbc:ReportingRole>
<cbc:ReportingPeriod>
<cbc:StartDate>2019-01-01</cbc:StartDate>
<cbc:EndDate>2019-12-31</cbc:EndDate>
</cbc:ReportingPeriod>
<cbc:DocSpec>
```

BizActivities

The BizActivities element is used to describe the main business activity(ies) carried out by a Constituent Entity. The code CbC513 – 'Other' should only be used in the BizActivities element where the business activities cannot be accurately reflected through the selection of one or more of the other codes.

Where CbC513 is selected the file must also include the OtherEntityInfo element. This element should include any further relevant information relating to a specific Constituent Entity and is entered in a free text format.

```
</cbc:Address>
</cbc:ConstEntity>
<cbc:BizActivities>CBC513</cbc:BizActivities>
<cbc:OtherEntityInfo>Further Relevant Information</cbc:OtherEntityInfo>
</cbc:ConstEntities>
```

Isle of Man Validations

Most additional Isle of Man validation advised by the Assessor in the February 2018 Country-by-Country Reporting (CbCR) - Isle of Man Reporting and Validation Notice remains relevant for version 2.0 submissions.

Isle of Man Validation	Version 1.0	Version 2.0
MessageSpec		
SendingEntityIN – Mandatory and contains the Reporting Entity's reference for the Information Providers' Online Service – eg. – **C000000Q01**	Y	Y
TransmittingCountry and ReceivingCountry – must be set to 'IM'	Y	Y
MessageTypeIndic – Mandatory and should be set to either CBC401 (new information) or CBC402 (message contains corrections/deletions).	Y	Y
CorrMessageRefId – not allowable in MessageSpec or DocSpec	Y	Y
CbcBody		
A maximum of one 'CbcBody' can be provided within each submitted XML file.	Y	Y
ReportingEntity		
'TIN' / 'IN' - The 'TIN' element is mandatory and should be provided on all occasions. The 'IN' is optional and a Reporting Entity may choose to omit.	Y	Y
ReportingPeriod – this new mandatory section requires the inclusion of the start and end dates of the period. Isle of Man validation also requires that the end date noted here is consistent with the ReportingPeriod within the MessageSpec.	N	Y
CbCReports		
The attribute 'currCode' is used to identify the currency code used for various financial information contained in the 'Summary' section. The currCode within any one Summary section should all match.	Y	Y
'TIN' / 'IN' - The 'TIN' element is mandatory and should be provided on all occasions. The 'IN' is optional and a Reporting Entity may choose to omit. If either the 'TIN' or 'IN' are unknown, the Reporting Entity should still provide the element as "NOTIN" as outlined in the OECD User Guide. In all instances an 'issuedBy' attribute should be included	Y	Y
BizActivities – Where a Constituent Entity uses the code CbC513 in the BizActivities element the OtherEntityInfo element must be included.	N	Y
General		
Amended XSD file References All XML files begin with the Schema Instance Namespace which provides a reference to other XSD files which include the structure and rules for the XML file to follow. These references were changed when the schema was updated as detailed below: **Version 1.0** <cbc:CBC_OECD xmlns:cbc="urn:oecd:ties:cbc:v1" xmlns:stf="urn:oecd:ties:stf:v4"> **Version 2.0** <cbc:CBC_OECD xmlns:cbc="urn:oecd:ties:cbc:v2" xmlns:stf="urn:oecd:ties:cbcstf:v5">		
DocRefId – Isle of Man Formats Each 'DocRefId' used must be completely unique in space and time, so to ensure that this is the case, Isle of Man Reporting Entities must follow the prescribed format. The Assessor will accept 'DocRefId' that start with the Information Providers' Tax Reference Number for the Isle of Man Reporting Entity followed by a full stop and a unique number/character combination eg. **C000000Q01.123abc456def789**	Y	Y
The DocTypeIndic element is used to specify whether a submission is new or whether it is changing a previously submitted report. The DocTypeIndic must be set to OECD1 (new), OECD2 (corrected), OECD3 (Void/deletion) or OECD0 (re-send) only.	Y	Y

Nicola Guffogg

Assessor of Income Tax