
INDUSTRY ADVISORY NOTICE

Date: 27 May 2020

AUTOMATIC EXCHANGE OF INFORMATION – MAY 2020 UPDATE

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

FILING DEADLINES - CRS & FATCA

As a result of the global COVID-19 pandemic the United States Internal Revenue Service (IRS), in respect of FATCA, and the Organisation for Economic Co-Operation and Development (OECD), in respect of the CRS, have extended the annual deadline for the automatic exchange of information between jurisdictions by three months to **31 December 2020**.

In recognition of the considerable pressures that the coronavirus outbreak is placing on all aspects of the everyday lives of individuals and businesses in the Isle of Man, the deadline for the submission of 2019 FATCA and CRS reports by Isle of Man Financial Institutions to the Income Tax Division, before the imposition of any penalty, will be extended from 30 June 2020 to **30 September 2020**.

Isle of Man Reporting Financial Institutions should note that 2019 CRS and FATCA reports filed **after** the 30 September 2020 will be **late** and the Assessor will take appropriate enforcement action in respect of any 2019 CRS or FATCA report filed on or after 1 October 2020, including the imposition of penalties where applicable.

While the Assessor will take no action in respect of 2019 CRS and FATCA reports filed between 1 July 2020 and 30 September 2020, normal enforcement measures, such as the penalties for failure to comply with other aspects of the regulations, will continue to apply in respect of any new or corrected information submitted in respect of any earlier reporting period.

CRS Schema v2.0

Isle of Man Financial Institutions are reminded that the reporting of CRS Reportable Accounts **must** be made to the Assessor in the prescribed XML format set by the OECD. The XML format to be used is mandatory and returns in any other format will not be accepted.

In June 2019 the OECD published a new version of the CRS Schema (v2.0) which reflects a number of technical changes that have been made following input from jurisdictions and Financial Institutions.

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

- Schema XSD <https://www.oecd.org/ctp/exchange-of-tax-information/CRS-Schema-v2.0.zip>
- User Guide <https://www.oecd.org/tax/exchange-of-tax-information/common-reporting->

Taking into account the implementation time needed, the second version of the CRS Schema will only be used for data exchanged on or after **1 January 2021**.

In practical terms, for Isle of Man Financial Institutions, this means that reports in respect of the 2019 reporting year that, as advised above, should be submitted no later than **30 September 2020** due to the COVID-19 global pandemic must continue to be made in accordance with the current version of the schema (v1.0).

Reporting in respect of the 2020 reporting year, due to be submitted by **30 June 2021**, will instead have to be made in accordance with the updated v2.0 schema, **unless** the Isle of Man Financial Institution ceases operations part way through 2020 and is required to file before 30 June 2021.

Where the part year data to cessation is to be filed **prior to 1 December 2020** it can be submitted in v1.0 however, any data filed after this date will need to be filed in accordance with v2.0.

Likewise, any Isle of Man Financial Institution that needs to file a corrected report (or additional data) regardless of the reporting year to which it relates will have to do so in accordance with v2.0 of the schema if that correction/additional data is filed after 1 December 2020.

Further details concerning the current version of the schema (v1.0) and part year filing to cessation can be found in the Isle of Man's CRS Guidance Note [GN53](#).

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