

Common Reporting Standard (CRS) - Compliance of BVI Financial Institutions under Scrutiny by BVI International Tax Authority

As previously communicated in a briefing note, the BVI enacted the BVI Mutual Legal Assistance (Tax Matters) Amendment Act, 2018 (the Act) which directly impacted upon CRS reporting obligations on several levels. The Act and the BVI Guidance Notes on CRS require that all BVI Financial Institutions (FIs) establish, implement and maintain written CRS policies and procedures (P&Ps) which meet the requirements outlined in the Act. The scope of the P&Ps depend on whether the FI is a reporting FI or not. Reporting FIs will have to ensure that their P&Ps comply with the requirements of section 27(2) of the Act. FIs that have applied any threshold exemptions must keep an internal record of the application of the exemptions as part of the policies and procedures which they are required to have in place in accordance with the Act.

Pursuant to section 32(1) of the Act, the BVI International Tax Authority (ITA) can request that an FI produces a copy of the P&Ps and such requests are now being made to FIs to make available to the ITA copies of the P&Ps within 10 working days of such a request. Failure to comply with this request is an offence and is liable on conviction to a fine not exceeding one hundred thousand dollars (US\$100,000.00).

Hatstone can assist with identifying whether your company is an FI and to draft and implement P&Ps to ensure that you are compliant with the Act. Please contact the following for more details:

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NOTE ON THIS RELEASE.

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