



**Common Reporting Standard (“CRS”)
& Foreign Account Tax Compliance Act (“FATCA”)
Compliance Information Notice No. 2**

**Please note that this Notice does not constitute guidance or instruction
and is issued for information purposes only**

The purpose of the Compliance Information Notice is to provide pointers and links to sources of information regarding the Common Reporting Standard (“CRS”) & the Foreign Account Tax Compliance Act (“FATCA”).

The intention is that by describing some areas of attention and information on certain reporting requirements it will assist to maximise the quality and accuracy of exchange of information.

OECD Public Consultation Document

On 22 March 2022, the OECD released a public consultation document concerning a new global tax transparency framework to provide for reporting and exchange of information with respect to crypto-assets and proposed amendments to the Common Reporting Standard for the automatic exchange of information.

The public consultation document is available at the following link.

[Crypto-Asset Reporting Framework and Amendments to the Common Reporting Standard \(Public Consultation Document\) \(oecd.org\)](https://www.oecd.org/tax/automatic-exchange/crswg-reports/2022-03-22-crypto-asset-reporting-framework-and-amendments-to-the-common-reporting-standard-public-consultation-document/)

Exchange of Information Compliance Pointers

Data Accuracy

- Prior to submission the exchange of information data should be checked for any omissions, inaccuracies or anomalies.
- Country codes, dates of birth and financial account addresses should be complete and accurate.
- Date of birth is a mandatory AML/CFT verification of identity requirement it therefore expected that reports will not include absent or default (dummy) data.
- More generally reportable data must not include alternative or ambiguous data for the purpose of satisfying an entry in a mandatory data field.
- Account Holder and Controlling Person details must be full and complete.

Reporting

- Plan and prepare reports in advance of the reporting deadline.
- Provide adequate time for controls and checks to avoid delay.

- Review relationships and accounts to confirm they are correctly classified for CRS purposes.
- Ensure the use of ‘undocumented ‘ has been correctly applied and that undocumented accounts are subject to appropriate periodic review according to whether they are Lower or Higher Value Accounts, (at least annually for Higher Value Accounts) (see [Bulletin 2019/3](#)).
- Joint accounts are required to be reported as individual accounts with the entire balance or value of the joint account, as well as the entire amounts paid or credited to the joint account.
- Partnerships are entities for reporting purposes.
- System changes or upgrades should include ensuring data is carried forward, accessible or retrievable if archived.
- Controlling Persons include Protectors.
- When a merger, acquisitions or transfer of business occurs the receiving financial institution should ensure all previous reporting was complete and accurate.

Tax Identification Numbers, (“TIN”).

- On-boarding includes obtaining a Tax Identification Number.
- Check that the TIN is consistent with the relevant jurisdiction’s domestic structure.
- Accounts without a TIN or where the customer claims not to have a TINs are reviewed.
 - The OECD CRS Implementation and Assistance webpage includes a database of exchange jurisdictions TIN structures.

Training

It is recommended that financial institutions have in place training on the CRS & FATCA for all employees. Consideration should be given to ensuring that the training is current and includes all the facets of exchange of information.

Governance

A Board, or Senior Management equivalent, are expected to be aware of their exchange of information responsibilities and obligations in ensuring the submission of complete and accurate data.

Example responsibilities are:

- Ensuring that there are procedures that accurately detail the financial institution’s CRS & FATCA obligations.
- Have internal controls to ensure exchange of information reports are full, complete and submitted on time.
- The Compliance Assurance Statement is a series of questions relating to the exchange of information data, compliance infrastructure and reporting accuracy. As it is the Board or senior management equivalent’s responsibility and obligation to ensure reporting accuracy, potential best practice would suggest deciding in advance the response to each question.

Revenue Service Checks

FATCA and CRS have been in place since 2014 & 2016 and is expected that financial institutions are accustomed to the requirements and have embedded robust controls and procedures to achieve successful reporting of accurate information.

As part of the supervisory assurance of Guernsey's obligation to provide accurate data to reportable partner jurisdictions the Revenue Service's AEOI Team undertake a range of compliance activities to ensure there is effective compliance.

2022 Thematic Review

The Guernsey Revenue Service intend to conduct a thematic review of a cross section of financial institutions to gain information on the governance and training in respect of CRS & FATCA.

An objective of the Thematic is obtain information on the degree of managerial involvement and the approach taken to prevent the risk of non-compliance.

The Governance element of the Thematic will seek to learn the extent a Board, or senior management equivalent are actively involved in exchange of information, what compliance assurance reviews are undertaken, whether compliance audits are completed and what monitoring exists to ensure compliance with legislative and regulatory requirements.

The training segment will seek information on the training provided, who are the recipients, whether training is internally or externally provided and the frequency.

Legislative & Regulatory Changes

Financial institutions and reporting entities are reminded to be mindful of the relevant amending legislation, namely:

The Income Tax (Guernsey) (Amendment) Ordinance 2021.

[The Income Tax \(Approved International Agreements\) \(Implementation\) \(Common Reporting Standard\) \(Amendment\) Regulations, 2021](#); and

[The Income Tax \(Approved International Agreements\) \(Implementation\) \(United Kingdom and United States of America\) \(Amendment\) Regulations, 2021](#)

A summary of the legislative amendments was also contained in Bulletins [2021/5](#), [2021/6](#), [2021/7](#) and [2022/2](#).

Outsourced Service Reporting

Financial Institutions, ("FIs"), that elect to outsource their reporting obligations are reminded that despite the use of an outsourced service provider for reporting purposes the reporting Guernsey financial service's Board or senior management equivalent remain responsible for the activities undertaken on its behalf and for compliance with the requirements of the CRS and FATCA Regulations.

When an outsourced service provider is used then the reporting Guernsey financial institution is expected to have in place controls and measures to maintain appropriate governance.

Examples are:

- Written policies and procedures that describes:
 - the services provided by the outsourced provider;
 - the contractual extent of the duties to be provided; and
 - the management/oversight of the outsourced reporting.
- The ability to supply the Revenue Service with exchange of information records and documentary evidence used for reporting purposes if requested.
- The inclusion in the IGOR message contacts of a minimum of one specified point of contact, (name and email address) for the reporting Guernsey financial institution.

Outsourced Service Providers IGOR Reporting Structure

The reporting Guernsey financial institution is recommended to ensure their identity is clearly distinguishable in IGOR. The outsources service provider should:

- Establish an “Organisation” for each reporting Guernsey financial institution.
- The naming convention of each “Organisation” should identify on whose behalf the outsourced service provider is reporting, for example, <Name of the Outsourced Service Provider> on behalf of or re <the reporting Guernsey financial institution>’.

Sources of Information

The following are links to CRS & FATCA information sources.

States of Guernsey website pages:

- www.gov.gg/crs
- www.gov.gg/fatca

OECD Automatic Exchange of Information Portal

- [Common Reporting Standard \(CRS\) - Organisation for Economic Co-operation and Development \(oecd.org\)](http://www.oecd.org/tax/automatic-exchange/crs/organisation-for-economic-co-operation-and-development/)

Residence/Citizenship by Investment

- [Residence/Citizenship by investment - Organisation for Economic Co-operation and Development \(oecd.org\)](http://www.oecd.org/tax/automatic-exchange/crs/organisation-for-economic-co-operation-and-development/)

OECD Information on Tax Identification Numbers

- [Tax identification numbers \(TINs\) - Organisation for Economic Co-operation and Development \(oecd.org\)](http://www.oecd.org/tax/automatic-exchange/crs/organisation-for-economic-co-operation-and-development/)

IRS FATCA Registration & FFI List: Global Intermediary Identification Number (“GIIN”) Composition Information

- [FATCA Registration and FFI List: GIIN Composition Information | Internal Revenue Service \(irs.gov\)](http://www.irs.gov/efile/fatca-ffl/giin-composition-information)

IRS e-news subscriptions

- [e-News Subscriptions | Internal Revenue Service \(irs.gov\)](http://www.irs.gov/efile/fatca-ffl/giin-composition-information)

IRS FATCA FAQs

- [Frequently Asked Questions FAQs FATCA Compliance Legal | Internal Revenue Service \(irs.gov\)](http://www.irs.gov/efile/fatca-ffl/giin-composition-information)