

CRS Update
Bulletin 2015/8

The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015 (“the Regulations”) implementing the Common Reporting Standard (“CRS”) were made on 23 November 2015, and took effect from 1 December 2015.

These regulations have the effect of requiring Reporting Financial Institutions in Guernsey to apply the CRS due diligence procedures to all financial accounts they maintain from 1 January 2016.

It has come to our attention that in Section V, A and B of Schedule 2 of the Regulations there is an error in the dates specified in the Regulations in relation to the due diligence and reporting requirements relating to “ Preexisting Accounts”

In these paragraphs only, where the date specified is 31 December 2017, it should read 31 December 2015

Once corrected, these paragraphs shall read:

Section V: Due Diligence for Preexisting Entity Accounts

The following procedures apply with respect to Preexisting Entity Accounts.

A. *Entity Accounts Not Required to Be Reviewed, Identified or Reported.* If the RFI so elects, in respect of any calendar year, and notifies the Director of the election in advance of the reporting date for that calendar year, then either with respect to all Preexisting Entity Accounts or, separately, with respect to any clearly identified group of such accounts, a Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250,000 as of **31st December 2015**, is not required to be reviewed, identified, or reported as a Reportable Account until the aggregate account balance or value exceeds USD 250,000 as of the last day of any subsequent calendar year.

B. *Entity Accounts Subject to Review.* A Preexisting Entity Account that has an aggregate account balance or value that exceeds USD 250,000 as of **31st December 2015**, and a Preexisting Entity Account that does not exceed USD 250,000 as of **31st December 2015** but the aggregate account balance or value of which exceeds USD 250,000 as of the last day of any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph D.

(amendments emphasized in bold, underlined text)

These amendments will impose the original intention that when reviewing a Pre-existing Entity Account to ascertain whether it is below the reporting threshold of USD \$250,000, the Reporting Financial institution will refer to the balance of the account at 31 December 2015.

This Bulletin is issued to notify Reporting Financial Institutions of the correct intended date.

The regulations will be amended in due course Financial Institutions registered on the AEOI Update Circulation list will be notified when this Regulations are amended.

8 December 2015