

Department for International Tax Cooperation



CAYMAN ISLANDS

AEOI News & Updates

Posted on 31 July 2017

It is recommended that this webpage is reviewed weekly to check for updates on the following subjects:

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A. AEOI Portal Accessibility

Users **must** review the AEOI Portal User Guide before preparing and submitting CRS Returns.

The Cayman Islands Automatic Exchange of Information (“AEOI”) Portal is now online. Reporting submissions for US FATCA and CRS can now be completed. Reporting submissions for UK CDOT should be completed under the CRS Reporting function.

B. AEOI Portal User Guide v3.2.1

The AEOI Portal User Guide v3.2.1 dated 28 June 2017 is available here:

http://tia.gov.ky/pdf/User_Guide.pdf

AEOI Portal User Guide v3.2.1 includes:

- Module IV US FATCA Reporting - new Sections on IRS error notifications for 2016 US FATCA Returns (i.e. IRS error notifications arising from US FATCA Returns submitted in 2017).
- Module V CRS Reporting

The AEOI Portal User Guide v3.2.1 supersedes all earlier versions of the AEOI Portal User Guide.

C. CRS Guidance Notes v2.1

The CRS Guidance Notes v2.1 dated 31 July 2017 has been published and is available here:

http://www.tia.gov.ky/pdf/Consolidated_CRS_Guidance_Notes_appendices_and_CRS_Regulations_2015_and_2016.pdf

The following summarized changes were made for consistency with OECD CRS requirements:

- **Record keeping** (*Section II.I. page 17*)

For the avoidance of doubt, the six year period shall commence on the date when the relevant information is or should be reported to the TIA under the CRS Regulations. This is necessary to comply with paragraph 7 of the Commentary on Section IX of the CRS.

- **Timing of self-certifications for New Accounts** (*Section .VI.A.7.b), pages 30 and 31*)

A Cayman Reporting Financial Institution or Trustee of a Trustee Documented Trust must obtain a self-certification upon account opening (CRS, Sections IV(A) and V(D)(2)) and validate the self-certification as part of its account opening procedures. The TIA will have strong measures in place to ensure that valid self-certifications are always obtained for New Accounts.

The CRS Guidance Notes v2.1 supersedes all earlier versions of the CRS Guidance Notes.

D. CRS Reportable Jurisdictions

A revised list of CRS Reportable Jurisdictions was published in Extraordinary Gazette No.49/2017. Barbados, Curaçao, and Niue will now be Reportable Jurisdictions for reports due in 2018 onwards instead of 2017.

The list is available on the webpage:

http://www.tia.gov.ky/pdf/CRS_Legislation.pdf

The list is also exhibited as Appendix 4 to the CRS Guidance Notes v2.0.

E. Entity and Individual Self-Certifications

Revised Entity and Individual Self-Certifications are available on the webpage:

http://www.tia.gov.ky/pdf/CRS_Legislation.pdf

These are fillable forms and the password field is blank.

The revised Entity and Individual Self-Certifications are also exhibited as Appendix 5 to the CRS Guidance Notes v2.0.

F. Late Submissions of new Notification (Registration) and Variation of Reporting (Notification) Obligations for US FATCA/CRS

All Cayman Financial Institutions (CFIs) are required to **register, or vary** their existing US FATCA/UK CDOT registration, for CRS on the AEOI Portal, **even if they have no reporting obligations**. The deadline for completion of the registration/variation process is **31 July 2017**. CFIs which **have not** registered, or varied their existing registration, by the deadline will be in breach of Cayman law* and may be subject to **enforcement action and fines of up to KYD 50,000**.

The AEOI Portal will continue to accept **late registrations or variations** after the deadline and non-compliant CFIs **must** complete the necessary registration or variation **with urgency**, and proceed to submit any necessary reporting before the reporting deadline of 31 August 2017 to avoid further breaches and the potential levying of **additional** fines.

**A CFI's obligation to notify the Department for International Tax Cooperation of the required information to the deadlines advised is enacted in Cayman law through the 2016 amendments to Regulation 8 of the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015. A CFI commits an offence if it does not fulfil these obligations and may be fined up to KYD50,000. The representatives, for example directors, of a CFI may be held liable for contraventions of the Regulations if proof of reasonable diligence cannot be provided.*

G. Final Extension of 2017 Reporting Deadline for US FATCA & CRS

The deadline for US FATCA/CRS reporting this year has been extended to **31 August 2017**. This is a final extension and no further extensions will be given. CFIs with reporting obligations **MUST** proceed to submit their reports as soon as possible. **All** reporting CFIs and Trustee Documented Trusts **must** submit a **CRS Filing Declaration, even if they have no reportable accounts**. High levels of traffic on the Portal may cause delays. It is therefore highly advisable for CFIs to perform their obligations with urgency to ensure compliance with Cayman law*.

The AEOI Portal will be taken offline at 4:00pm on 31 August 2017 so that the DITC can prepare for transmission of CRS Returns to the OECD Common Transmission System by 30 September 2017.

**A CFI's obligation to notify the Department for International Tax Cooperation of the required information to the deadlines advised is enacted in Cayman law through the 2016 amendments to Regulation 8 of the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015. A CFI commits an offence if it does not fulfil these obligations and may be fined up to KYD50,000. The representatives, for example directors, of a CFI may be held liable for contraventions of the Regulations if proof of reasonable diligence cannot be provided.*

H. IRS Error Notifications - 2014 and 2015

US FATCA Reporting CFIs **MUST NOT** attempt to address any IRS notifications in respect of 2014 and 2015 US FATCA Returns until they receive further guidance from the DITC.

- a) For the avoidance of doubt, a CFI will not be deemed to be in contravention of its US FATCA reporting obligations if it follows this instruction.
- b) In due course, the DITC will:
 - i. Publish a revised User Guide to explain how CFIs must address IRS notifications.
 - ii. Email specific guidance on how to resolve particular types of IRS notifications for 2014 and 2015 US FATCA Returns to the Principal Point of Contact of affected CFIs.

I. Principal Point of Contact changes in the Cayman AEOI Portal

Any Cayman Financial Institution (CFI) which is currently waiting for the AEOI Portal Team to process a requested change of Principal Point of Contact (PPoC) should instruct the current PPoC to either perform any of the CFI's outstanding US FATCA and CRS reporting obligations (for so long as that PPoC has access to the CFI's account on the AEOI Portal) and/or appoint any additional secondary users necessary to do so. This is because there can be no assurance that all such change requests will be processed before 31 August 2017. Guidance on the creation of Secondary User profiles can be found in Module III, Section 2.1 of the AEOI Portal User Guide.

J. Industry Advisories

- 31 July 2017 [CRS Guidance Notes v2.1 dated 31 July 2017](#)
- 19 July 2017 [Cayman AEOI Portal Updates – Notification & Reporting Deadlines](#)
- 22 June 2017 [AEOI Portal Update](#)
- 19 May 2017 [Cayman Islands AEOI Portal Update](#)
- 19 April 2017 [Extraordinary Gazette: Updated List of CRS Reportable Jurisdictions \(2017 and 2018\)](#)
- 13 April 2017 [Automatic Exchange of Information \(AEOI\)](#)
- [Consolidated CRS Guidance Notes, appendices and CRS Regulations 2015 and 2016](#)
- 31 March 2017 [CRS Participating Jurisdictions and CRS Reportable Jurisdictions](#)
- 3 March 2017 [Notification and Reporting Due Dates](#)
- 22 December 2016 [Second Tranche of CRS Regulations](#)