

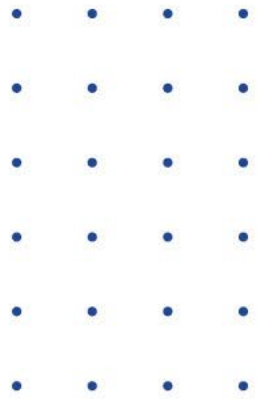
Barbados Revenue Authority


Global Relations Unit

Common Reporting Standard 2.0

Tuesday, June 24, 2025

Overview



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- A solid orange vertical bar on the left side of the slide.
- ❑ Amendments to the Common Reporting Standard
 - ❑ Proposed Changes to the AEOI Legal Framework
 - ❑ Next Steps and Key Timelines
 - ❑ Action Points for Reporting Barbados Financial Institutions



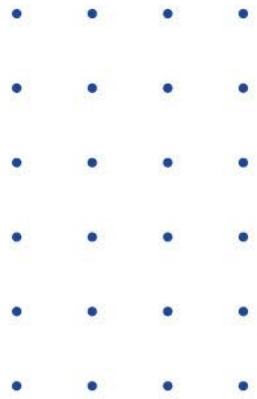
Overview of Common Reporting Standard 2.0

The OECD conducted the first comprehensive review of the Common Reporting Standard (CRS), with the aim of improving the operation of the Standard. Amendments were published in 2022 to expand the scope of the Common Reporting Standard and enhance its reporting requirements.

IMPLEMENTATION OF CRS 2.0

The Standard has been amended in **two** key areas:

1. **An expanded scope** to include digital financial and electronic money products (such as cryptocurrencies and Central Bank Digital Currencies) and minimise duplicative reporting through the **Crypto-Asset Reporting Framework (CARF)**.



IMPLEMENTATION OF CRS 2.0

The Standard has been amended in **two** key areas:

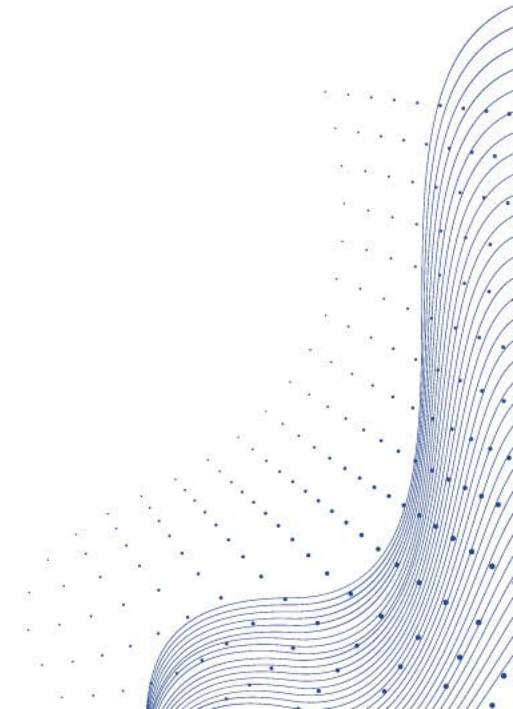
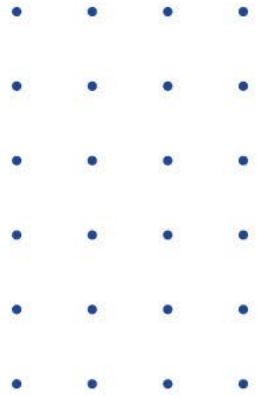
2. **An enhancement of reporting outcomes** through the introduction of strengthened due diligence requirements, an expansion of the reporting requirements and a broadened scope for the institutions presided over by CRS.

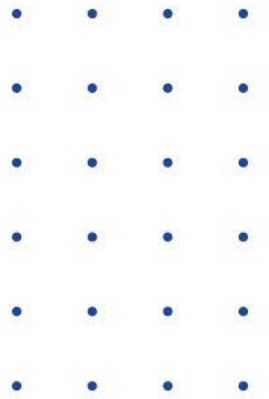




International Standards for Automatic Exchange of Information in Tax Matters

CRYPTO-ASSET REPORTING
FRAMEWORK AND 2023 UPDATE
TO THE COMMON REPORTING
STANDARD

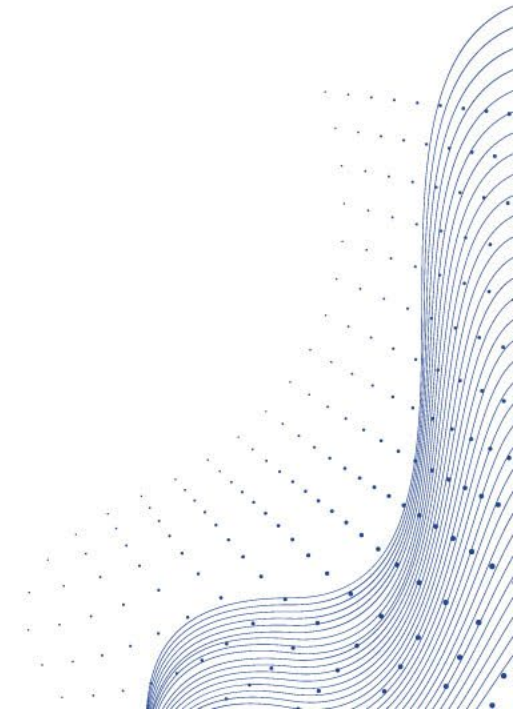


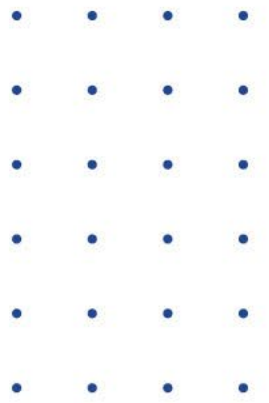
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IMPLEMENTATION OF CRS 2.0

Electronic Money Accounts are brought into the scope of CRS.

The scope of Depository Institutions & Investment Entities has been widened.





Depository Institution

CRS

1a)

any Entity that accepts deposits in the ordinary course of a banking or similar business.

CRS 2.0

2b)

any Entity that accepts deposits in the ordinary course of a banking or similar business; or holds Specified Electronic Money Products or Central Bank Digital Currencies for the benefit of customers.



Investment Entity

CRS

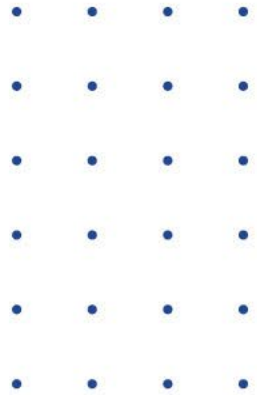
6a iii)

otherwise investing,
administering, or managing
Financial Assets or money on
behalf of other persons; or

CRS 2.0

6a iii)

otherwise investing,
administering, or managing
Financial Assets, money , or
Relevant Crypto-Assets on
behalf of other persons; or



IMPLEMENTATION OF CRS 2.0

- An optional classification of “Non-Reporting FI” for charities to be introduced – BRA is considering such a provision.
- Foundation or Capital Contributions Accounts will be treated as “Excluded Accounts”.
- Revision to the Scope of a Depository Account Institution broadened.

IMPLEMENTATION OF CRS 2.0

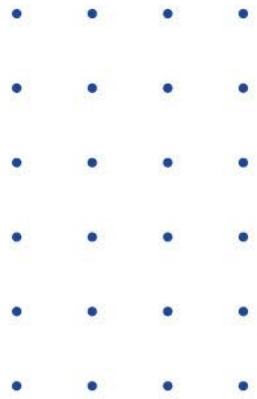
Expansion of reporting requirements

- The Financial Institutions must distinguish between new and pre-existing accounts in their reporting.
- The Financial Institutions must disclose whether a valid self-certification has been obtained.

IMPLEMENTATION OF CRS 2.0

Expansion of reporting requirements

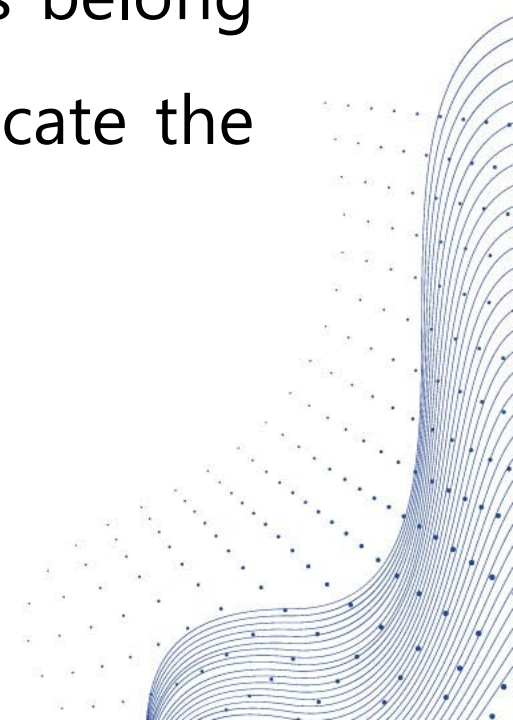
The role of controlling persons of entity accounts must be disclosed to distinguish beneficiaries from those with managerial roles. (*For example, Senior Management officials, protectors and trustees*)



IMPLEMENTATION OF CRS 2.0

Expansion of reporting requirements

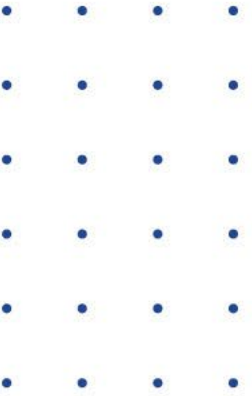
- The Financial Institutions must disclose whether accounts belong to a single account holder or are jointly owned, and indicate the number of joint account holders.



IMPLEMENTATION OF CRS 2.0

Expansion of reporting requirements

- The disclosure of the type of financial account (*e.g., depository accounts, custodial accounts, equity and debt interests, or cash value insurance contracts*) is now required to allow tax administrations to better understand the financial investments held by the reportable person.

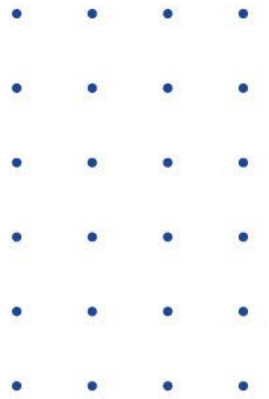


IMPLEMENTATION OF CRS 2.0

Exceptional due diligence procedure – Temporary lack of Self-Certification

In exceptional circumstances where a new account holder is onboarded without a valid self-certification, financial institutions must temporarily determine the residence of the account holders and/or controlling persons on the basis of the due diligence procedures that would be applicable to preexisting accounts. This is not a standard procedure and is not an alternative to the requirement to obtain a valid self-certification.





IMPLEMENTATION OF CRS 2.0

Reliance on AML/KYC procedures

Financial Institutions who are depending on AML/KYC procedures to identify Controlling Persons of new entity accounts must ensure AML/KYC approach is consistent with 2012 FATF recommendations or substantially similar procedures.



IMPLEMENTATION OF CRS 2.0

Integrating CBI/RBI guidance within the CRS

The addition of new explanatory guidance that reiterates that a reporting financial institution may not rely on a self-certification or documentary evidence where it knows or has reason to know, that it is incorrect or unreliable. In making this determination, reporting financial institutions should take into account information published by the OECD on potentially high-risk CBI/RBI schemes. The guidance includes a number of additional questions that reporting financial institutions may raise to determine the appropriate jurisdictions of CRS reporting.

IMPLEMENTATION OF CRS 2.0

Day Two Procedures

The Guidance on day two procedures has been incorporated into the Commentary on due diligence.

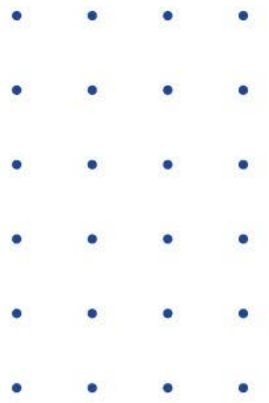
IMPLEMENTATION OF CRS 2.0

Reporting with respect to dual-resident accountholders

Residence of Account Holder must be established ignoring any double tax treaties tie breaker clause. Account holders must identify all tax residencies.

Proposed Changes to the AEOI Legal Framework

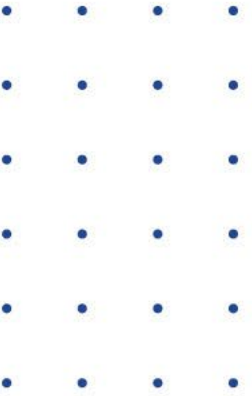
- ❑ Current AEOI Regulations will be repealed.
- ❑ A new legal instrument (primary or subsidiary legislation) will be introduced in 2025.
- ❑ Changes reflect the type and scope of required updates.
- ❑ Key terms will be clearly defined in the new rules for greater clarity.



Next Steps and Key Timelines

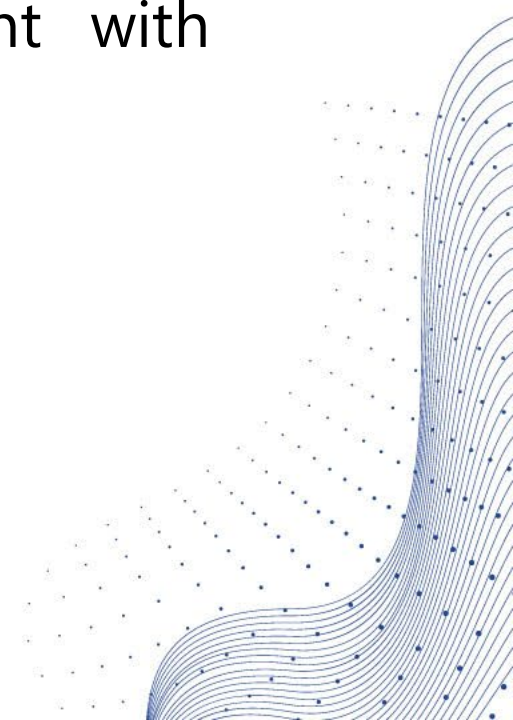
- ❑ These amendments will take effect in 2026, at which point the expanded due diligence requirements and inclusion of the additional data points will be mandatory.
- ❑ New CRS XML Schema 3.0 was released in October 2024 and **MUST** be used for submissions for the reporting year 2026.





Next Steps and Key Timelines

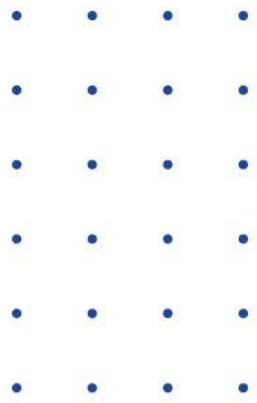
- ❑ BRA AEOI Web Portal will be undergoing an upgrade to improve the user experience, reporting and compliance outcomes. The upgrades are also based on feedback received and are consistent with international best practices.



Action Points for Reporting Barbados Financial Institutions

Financial Institutions should use 2025 to prepare, before the changes take effect to optimise their operations and systems for these new requirements.





Action Points for Reporting Barbados Financial Institutions

Preparations include but are not limited to:

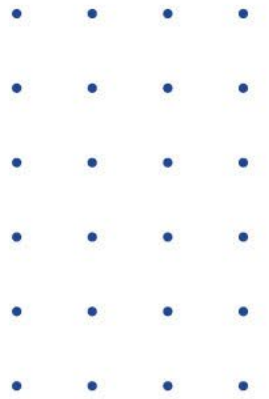
- ☐ Developing an implementation plan to assist in the transition to CRS 2.0.
- ☐ Monitoring updates from the Authority concerning CRS 2.0.
- ☐ Evaluating the nature and extent of operational impacts



Action Points for Reporting Barbados Financial Institutions

Preparations include but are not limited to:

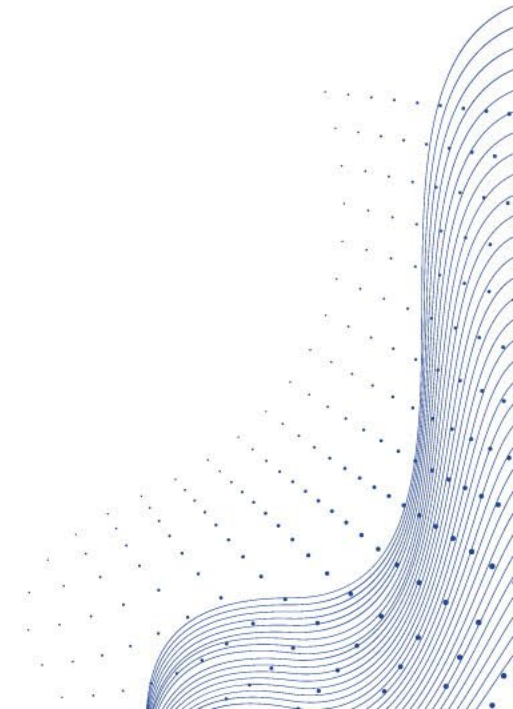
- ☐ Training staff responsible for CRS Implementation to ensure that they are aware of the new reporting and due diligence requirements.
- ☐ Updating the electronic databases to ensure that all data points are captured and to facilitate the necessary data analysis to ensure that the relevant data can be extracted.

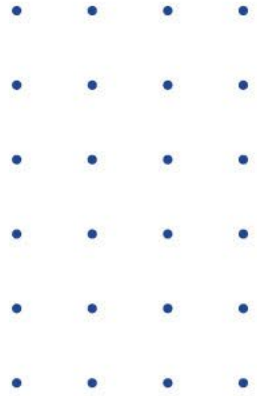
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Action Points for Reporting Barbados Financial Institutions

Preparations include but are not limited to:

- ☐ Updating Procedural Manuals and Risk Framework.





Questions?

We thank you for your attendance and your attention!

Contact us: compauth@bra.gov.bb

