

GUIDANCE NOTE**OGC No. 15 /2025**

Reference	OGC No. 15 /2025
Title	Common Reporting Standard and Foreign Accounts Tax Compliance Act
Sub Title	Procedural Manual requirements
Purpose	To provide clarity to Reporting Barbados Financial Institutions on some of the main items that should be included in a Procedures Manual

INTRODUCTION

The Global Relations Unit of the Barbados Revenue Authority (the Authority), during the course of its compliance activities, desk-based and onsite audits related to the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) observed that several Reporting Barbados Financial Institutions (RBFIs) either do not possess or lack sufficient documented internal procedural manuals to support the effective implementation of FATCA and CRS.

Based on the findings, to date, the absence of such documentation has contributed to gaps in staff awareness and understanding among staff responsible for the implementation of automatic exchange of information regimes (AEOI). In addition, in some cases, the Authority has identified significant implementation deficiencies, particularly following the departure or transfer of key personnel. These issues underscore the importance of maintaining clearly documented procedural manuals to ensure the continuity and effectiveness of FATCA and CRS compliance.

Consequently, to guarantee the effective and consistent implementation of the AEOI regime, the Authority considers it essential and in line with international best practices that **ALL** RBFIs must have documented procedures. This expectation is both justified and essential, as it aids RBFIs in fulfilling their reporting and due diligence responsibilities under the AEOI legal framework, while also reducing the risk of non-compliance.

Thus, the Authority has prepared this Guidance Note to outline the minimum content that should be included in each RBFI's procedural manual for FATCA and CRS purposes.

MINIMUM CONTENT FOR PROCEDURAL MANUAL

At a minimum, the procedural manual should include the following, as applicable:

- An overview of FATCA and CRS, including the applicable legal framework;
- Definitions of the key terms relevant to FATCA and CRS such as 'Reportable Persons,' 'Undocumented Accounts,' 'Pre-existing Account', 'New Account', 'Excluded Account', 'Controlling Person', 'Lower-value Account' and 'High-value Account' and "US Person";
- An explanation of the roles and responsibilities of staff who are tasked with implementing AEOI Standards in practice, including the "Relationship Manager" as defined by CRS;
- Step-by-Step guidance for conducting due diligence procedures for both pre-existing and new accounts for FATCA and CRS including identification of Controlling Persons for entity accounts;
- The appropriate treatment of undocumented accounts for CRS purposes;
- Instances where a new self-certification is required;
- Process for assessing the reasonableness of the information received in the case of new accounts;
- Nature of the information to be captured for a valid self-certification for FATCA and CRS purposes;
- The applicability of Day-2 Procedures for CRS purposes;
- Templates of the FATCA and CRS self-certifications for Account Holders and Controlling Persons;
- The verification of foreign Tax Identification Numbers;
- Process for extracting the data for FATCA and CRS reporting and the appropriate oversight and quality control mechanisms to ensure that the prescribed information is captured and the information is complete;
- Policies prescribing the frequency and types of mandatory training for staff responsible for implementing the AEOI Standards in practice and the manner in which such training should be recorded;
- Reporting procedures to the Authority and making corrections where necessary;
- Whether closing or curtailing the services of accounts will be used as a medium to address instances of non-compliance on the part of an Account Holder or Controlling Person and the appropriate escalation matrix in such a case;
- Procedures to address any attempts to circumvent the requirements of CRS and FATCA; and
- Frequency in which the manual should will be reviewed and updated where appropriate.

In addition to the foregoing, to further enhance compliance, the Authority advises that RBFIs adopt the following best practices:

- **Access to Documentation:** Ensure that all relevant personnel have access to the –up-to-date documentation relating to FATCA and CRS, including the procedural manual and self-certification forms. In addition, access to all relevant documentation relating to the implementation, compliance and maintenance of FATCA and CRS.
- **Training and Development:** Conduct mandatory training on at least an annual basis with employees involved in all steps of AEOI implementation including onboarding, document validation and compliance. Such training should be recorded and logged for audit purposes.
- **Periodic Evaluations:** An ongoing assessment of updates and guidance issued by the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Internal Revenue Service and the Barbados Revenue Authority, to ensure timely incorporation of relevant changes into the procedural documents. The process should be recorded in the procedural document.

All correspondence and queries regarding the contents of this Guidance Note should be sent to the Global Relations Unit via email at compauth@bra.gov.bb.

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