

## GUIDANCE NOTE

PPG No. 003/2021

Period 2020

**Income Tax Act Cap. 73 & Income Tax (Automatic Exchange of Information) Regulations, 2017**

### Common Reporting Standard and Foreign Account Tax Compliance Act reporting for 2019

#### **Introduction**

The Barbados Revenue Authority (“the Authority”) has observed that a number of Reporting Barbados Financial Institutions registered via the Authority’s Automatic Exchange of Information (“AEOI”) portal have failed to submit reports for 2019 for the Common Reporting Standard (CRS) and/or Foreign Account Tax Compliance Act (FATCA). As a result, the Authority believes that guidance must be issued so as to clarify the obligations of Reporting Barbados Financial Institutions the reason(s), who have not submitted their report(s) for 2019.

#### **Legislative Overview**

Per Regulation 6 and 12 of the Income Tax (Automatic Exchange of Information) Regulations, 2017 of the Laws of Barbados (“AEOI Regulations”) Reporting Barbados Financial Institutions are required to submit reports to the Authority setting out the relevant information maintained by the entity during that calendar year.

**Regulation 20 of the AEOI Regulations** provides that

*“A Reporting Barbados Financial Institution that*

*(a) knowingly fails to submit a report as required by these Regulations is guilty of an offence and is liable on indictment to a fine of \$50,000 or to imprisonment for a term of 10 years or to both such fine and imprisonment.”*

Further, **Regulation 21(1) of the AEOI Regulations** provides that

*“Notwithstanding regulation 20, the Commissioner may impose on a Reporting Barbados Financial Institution, a pecuniary penalty of \$10,000 where the institution*

*(a) fails to deliver the information specified in regulation 7 or to submit a report containing the information to be reported under regulation 12 to the Barbados Competent Authority within the time prescribed by regulations 6 and 12, respectively”*

Based on the provisions, a Reporting Barbados Financial Institution has a statutory obligation to submit a report for CRS and/or FATCA with the Authority. Failure to submit the required report(s) is an offence and a Reporting Barbados Financial Institution found guilty is liable on indictment to a fine of \$50,000 or to imprisonment for a term of 10 years or to both such fine and

imprisonment. In addition, the Revenue Commissioner of the Authority may also impose a pecuniary penalty of \$10,000 on the Reporting Barbados Financial Institution.

It is important to note that the Authority is cognizant of the fact that a Reporting Barbados Financial Institution may not be required to file a report to Authority for varying reason(s).

The Authority is advising ALL Reporting Barbados Financial Institutions who have not submitted a CRS and/or FATCA report for 2019, to provide written notice to the Revenue Commissioner of the Authority indicating the reason(s) for the failure to submit the required report(s) for 2019.

The deadline for submission is Monday, February 15, 2021. All notices should be sent to the Authority via email at [compauth@bra.gov.bb](mailto:compauth@bra.gov.bb).

**Policy & Forecasting Unit**  
**Barbados Revenue Authority**  
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