

GUIDANCE NOTE
OGC No. 09/2023

Reference	OGC No. 09/2023
Title	Common Reporting Standard
Sub Title	Tax Identification Number - New and Pre-existing Accounts
Purpose	To provide clarity to reporting financial institutions on the tax identification number to be gathered for new and preexisting accounts

Income Tax (Automatic Exchange of Information) Regulations, 2017

Common Reporting Standard - Tax Identification Number - New and Pre-existing Accounts

The Barbados Revenue Authority (“the Authority”) has penned this guidance note to provide Reporting Barbados Financial Institutions (“RBF”) with guidance on their obligations for the reporting of the Tax Identification Number (TIN) for the purposes of the Common Reporting Standard (“CRS”).

What is a Tax Identification Number?

As defined in **subparagraph E(5) of Section VIII of the CRS**, the term “TIN” means

“Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).”

A TIN is a unique combination of letters or numbers, however, described, assigned by a jurisdiction to an individual or an Entity and used to identify the individual or entity for purposes of administering the tax laws of such jurisdiction. The TIN specifications (i.e. structure, syntax, etc.) are set by each jurisdiction’s tax administration. While many jurisdictions utilize a TIN for personal or corporate taxation purposes, some jurisdictions do not issue a TIN. These jurisdictions, however, often utilize some other high-integrity number with an equivalent level of identification (hereinafter referred to as a “functional equivalent”).

The TIN to be reported by the RBFi is the TIN assigned to the Reportable Person by its jurisdiction of residence. In the case of a Reportable Person that is identified as having more than one jurisdiction of residence, the TIN to be reported is the Reportable Person's TIN with respect to each Reportable Jurisdiction. I.e. both TINs should be reported.

New Accounts (Financial Accounts maintained by a RBFi opened on or after 1 January 2016)

The CRS requires reporting of the TIN, or functional equivalent, for **all** New Accounts (Account Holders and Controlling Persons), as the TIN must be collected upon account opening in the self-certification. The only exceptions under which collection is not required per **subparagraph A(1) of the CRS and Part II 12.(5) subparagraph (a) of the Income Tax Act (2017)** are where:

- (i) a TIN or functional equivalent is not issued by the relevant Reportable Jurisdiction;
or
- (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN or functional equivalent issued by such Reportable Jurisdiction.

Where an account holder claims that one of these exceptions applies, the RBFi should check this claim against the information on the OECD's Automatic Exchange Portal (<https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>) or another reliable source that explains whether a TIN or functional equivalent is issued and required to be collected by the relevant Reportable Jurisdiction. The OECD's Automatic Exchange Portal also contains information on the structure of the TIN or functional equivalent in the Reportable Jurisdictions, which can be used by the RBFi to confirm the reasonableness of the self-certification.

Pre-existing Accounts (Financial Accounts maintained by a Reporting Financial Institution as of 31 December 2015)

Per **Regulation 10(4) of the Income Tax (Automatic Exchange of Information) Regulations, 2017** a "pre-existing account" means

"a financial account maintained by a RBFi as of 30th day of June 2017."

For pre-existing accounts, the CRS requires reporting of the TIN or functional equivalent, in all cases where it is in the records of the RBFi. Where the TIN is not in the records, the RBFi is expected to use reasonable efforts to obtain the TIN as promptly as possible.

Where no TIN has been provided for a Pre-existing Account in the CRS report filed, the Authority may request the documentation to evidence that the reasonable efforts have been undertaken to obtain the TIN. For purposes of the CRS, reasonable efforts means genuine attempts to acquire the TIN, made at least once per year starting from the identification of the account as a Reportable Account.

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.

**Global Relations Unit
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