



MINISTRY OF
FINANCIAL SERVICES,
COMMERCE & ENVIRONMENT
CAYMAN ISLANDS GOVERNMENT

INDUSTRY ADVISORY

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Cayman Moves Forward with Implementing the CRS

The Department of International Tax Cooperation (DITC) is moving forward with implementing the Common Reporting Standard (CRS), via the introduction of local regulations, by October 2015.

In anticipation of the local regulations for CRS, financial institutions may wish to begin preparations for new account opening procedures from 1 January 2016; and for the due diligence required in 2016 and 2017. Financial institutions should also consider initiating administrative preparations and IT system developments.

The local regulations will be fully in line with the CRS and thus financial institutions will be able to continue their preparation for implementation by referring to the published CRS, issued by the OECD in 2014. The CRS and its commentaries can be found at http://www.oecd-ilibrary.org/taxation/standard-for-automatic-exchange-of-financial-account-information-for-tax-matters_9789264216525-en.

Cayman has committed to the following timetable under the CRS, in accordance with the Multilateral Competent Authority Agreement that was signed by Minister of Financial Services Wayne Panton, along with representatives from more than 50 other jurisdictions, in October 2014.

- Pre-existing accounts are those that are open on 31 December 2015; new accounts would be those opened from 1 January 2016. Hence, by 1 January 2016, industry will be required to have new account-opening procedures in place to record tax residence.
- The due diligence procedures for identifying high-value pre-existing individual accounts will be required to be completed by 31 December 2016, while the due diligence for low-value pre-existing individual accounts and for entity accounts will be required to be completed by 31 December 2017.
- The first reporting from industry to the DITC is anticipated to be required by 31 May 2017, under the local regulations.

The joint Ministry / industry working group, chaired by Financial Services Councillor Roy McTaggart, continues to assist Government with this important project. Further updates will be circulated as implementation progresses.

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