

## THE COMMON REPORTING STANDARD CAYMAN ISLANDS UPDATE

Following the OECD's publication of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the "Common Reporting Standard" or "CRS") in 2014, the Cayman Islands entered into a Multilateral Competent Authority Agreement, agreeing to exchange financial account information. Not long after (in December 2015), the Cayman Islands passed regulations in relation to the CRS (the "Cayman CRS Regulations"), making it mandatory for Reporting Financial Institutions to report certain information related to Reportable Accounts (depository accounts, custodial accounts and certain equity and debit interests in investment entities where the account holder or controlling person is a Reportable Person and tax resident in a Participating Jurisdiction) to the Cayman Islands Tax Information Authority.

### ***How Much Time Do You Have To Comply With Reporting Obligations?***

Under the Cayman CRS Regulations, Reporting Financial Institutions must apply the due diligence procedures and comply with their reporting obligations as of 1 January 2016.

### ***Cayman Tax Information Authority to be Notified of Reporting Obligations***

A Reporting Financial Institution that has reporting obligations under the Cayman CRS Regulations shall notify the Cayman Tax Information Authority of that fact, along with details of the categorization of the Reporting Financial Institution as determined in accordance with the Cayman CRS Regulations and the full name, address, designation and contact details of the individual authorized by the Reporting Financial Institution to be the Reporting Financial Institution's principal point of contact for all purposes of compliance with the Cayman CRS Regulations. This notification must be completed electronically no later than 30th April in the first calendar year in which the Reporting Financial Institution is required to comply with reporting obligations under the Cayman CRS Regulations (the first calendar year being 2016).

### ***Obligation to Make a Return Following Notification***

Under the Cayman CRS Regulations, a Reporting Financial Institution shall make a return on or before 31st May of the year following the calendar year to which the return relates (the first return is required to be made on or before 31 May 2017). The information to be set out in the return includes the name, address, jurisdiction of residence, tax identification number and date of birth of each Reportable Person who is an account holder and any controlling persons.

### ***Other Important Timelines***

- The due diligence procedures for identifying high-value pre-existing (i.e. existing as of 31 December 2015) individual accounts with balances exceeding USD 1,000,000 will be required to be completed by 31 December 2016.
- The due diligence procedures for lower-value pre-existing individual accounts with balances not exceeding USD 1,000,000 and for entity accounts with account balances greater than USD 250,000 as of 31 December 2015 will be required to be completed by 31 December 2017.

### ***For more information contact:-***

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