KPMG AEOI Updates & Tracking Service
CRS Alert

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Regime: CRS

Document Type: Other Guidance

Bermuda: Announced CRS Compliance Certification Form

On 03 September 2021, the Bermuda Ministry of Finance (Ministry) issued a notice to inform Bermuda Reporting Financial Institutions (RFIs) of the following upcoming CRS compliance activities to ensure that CRS requirements have been implemented effectively.

Annual CRS Compliance Certification Form (CRS Compliance Form): Starting with 2020 reporting, all RFIs and Trustee-Documented Trusts (TDTs) must complete CRS Compliance Form. The form is expected to be available on the portal by 15 October 2021 and must be submitted by 15 December 2021 for the 2020 reporting period. Going forward, the CRS Compliance Form must be submitted by 30 September following the end of the reporting period. The form will be completed using an online form (bulk uploads are not available) and can be submitted by either the primary or secondary user registered within the portal.

The Ministry released guidelines to help RFIs with the preparation of the compliance form, summarized below.

— Introduction (Section 1): Documents the background and overview of the compliance form along with the purpose and deadline to submit the form.

— CRS Compliance Form Required Information (Section 2): Documents an illustrative view of the various information that will be required while completing the form, such as the details of the FI, excluded and non-reportable accounts, policies & procedures along with due diligence and outsourcing information.

— Section-Specific Guidance (Section 3): Documents additional guidance on how questions within each section of the Compliance Form should be interpreted and answered. RFIs and TDTs should follow the same guidance as provided in the CRS, the CRS Regulations,

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and the CRS Guidance to fill all sections in the CRS Compliance Form.

CRS Independent Compliance Reviews (CRS Review): The Ministry noted that it will start issuing notices to RFIs to undertake a CRS Review to ensure that they are applying the CRS rules correctly. The Ministry will identify a group of Bermuda RFIs and ask them to engage an approved independent reviewer to perform the CRS Review. The registered primary user will receive a notice of the requirement through email.

The Ministry issued guidelines to help RFIs with the preparation of the CRS Review process, summarized below.

— Introduction (Section 1): Documents the background, purpose, and overview of the guidelines.

— Approach & Risk Assessment (Section 2): Documents the risk-based approach adopted by the Ministry to identify Bermuda RFIs that will be required to undertake a CRS Review. It also documents the process to be followed by the Ministry while issuing compliance notices.

— Review Requirements & Procedures (Section 3): Documents the steps that an independent reviewer must follow when performing the CRS Review, along with the information that should be included in the reviewer’s findings report submitted to the Ministry.

— Administrative Guidance (Section 4): Documents guidance on the timing, format, and submission process for the reviewer’s report, as well as the process through which an independent reviewer would be approved by the Ministry.

The Ministry announcement also reminds RFIs of certain points related to CRS compliance, as provided below.

— Primary Users: An active and contactable primary user must always be appointed for each RFI. RFIs must promptly submit a primary user Change Notice if the current primary user is no longer active. Instructions for submitting a primary user Change Notice are available in the portal user guide.

— Deactivation Requests: RFIs that no longer have reporting obligations must promptly request to be deactivated from the portal, following the instructions provided in the portal user guide. Deactivation requests are not processed until all relevant filings are exchanged with partner jurisdictions.

— Undocumented Accounts: RFIs must classify accounts as undocumented only if they meet the criteria provided in subparagraphs B(5) and C(5) of Section III of the CRS. For all other cases, the CRS due diligence rules must be followed.

— Taxpayer Identification Numbers (TINs): The Ministry reminded RFIs that the TIN is only listed as an optional field for cases where the TIN is not available due to a reasonable explanation, e.g. the tax residence jurisdiction does not issue TINs. RFIs must ensure reasonable efforts are taken to
obtain TINs of pre-existing accounts. If they are not included, the RFI may receive an error notification from partner jurisdictions, requiring corrections or subjecting the RFI to compliance reviews. TIN rules and format by jurisdiction can be found on the [OECD website](https://www.oecd.org).

Reference: Notice; Annual CRS Compliance Certification Form Guidelines (PDF 474KB); CRS Independent Compliance Review Guidelines (PDF 325KB)

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For more information on KPMG AEOI Updates & Tracking Service, please see [here](https://www.kpmg.com).

For additional summaries of the latest AEOI developments, please visit KPMG’s TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](https://www.kpmg.com).

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