

KPMG AEOI Updates & Tracking Service CRS Alert

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United Arab Emirates: Issued Amendments to CRS Regulations

On 14 December 2022, the Abu Dhabi Global Market (ADGM) issued CRS Regulations 2022, amending CRS Regulations 2017. The amendments include numerous non-substantive changes to realign the CRS Regulations with the newly introduced FATCA Regulations. The FATCA Regulations were adopted in order to implement Cabinet Resolution No. 93 of 2021, which requires the exchange of information between the UAE and the US. Important updates are noted below.

Part 1: Introduction

The amendments include updates to the following sections:

- Definitions (Section 1): This section has been added to include corresponding meanings to all references in the CRS Regulations, including definitions for ADGM, ADGM Court, Cabinet Resolution, Common Reporting Standard, Designated Officer, Government, Organisation for Economic Co-operation and Development (OECD), Regulatory Authority, and UAE.
- Applications (Section 2): This section has been added to provide the following information:
 - The Cabinet Resolution is applicable in the ADGM in accordance with these regulations.
 - Any Account Holder, Controlling Person, and Financial Institution (FIs) subject to the supervision of the Regulatory Authority should comply with the Cabinet Resolution and these Regulations.
 - Any contravention of the Cabinet Resolution will be considered as a contravention of these Regulations.
- Status of OECD and Competent Authority publications and material (Section 3): This section has been updated to include information related to the use of explanatory material

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or guidance issued by the Competent Authority to comply with these regulations.

PART 2: Role and Powers of the Regulatory Authority

- Role and powers of the Regulatory Authority (Section 4): This section has been updated to add references to the Cabinet Resolution.
- Powers of inspection and investigation (Section 5):
 - Subsections 1 and 2 have been updated to add references to Cabinet Resolution, Account Holder, and Controlling Person.
 - Subsection 4 notes that an FI must produce a report and/or appoint a skilled person to produce a report if a Regulatory Authority requires the same.
 - Subsection 5 notes that sections 203 and 204 of the Financial Services and Markets Regulations 2015 will be applicable in relation to requiring a report or appointing a skilled person to produce a report.

PART 3: Reporting and Record Keeping

- Collecting and reporting information (Section 6): This section has been updated to include the following information:
 - In accordance with the Cabinet Resolution and these regulations, each Reporting Financial Institution (RFI) must collect and report all information.
 - To comply with the Cabinet Resolution and these regulations, each RFI should establish and implement appropriate systems and internal procedures.
- Record Keeping (Section 7): Minor changes to add a reference to the Cabinet Resolution.

PART 4: Penalties and contraventions

- Regulatory Authority may prescribe (Section 8):
 - Penalties, administrative fees, and other sanctions may be prescribed by the Regulatory Authority in addition to the penalties provide under the Cabinet Resolution.
 - Forms and additional procedures may be prescribed by Regulation Authority in relation to imposition and recovery of penalties, enforcement of actions, and any objection or right of appeal in respect of any penalties or administrative fees stipulated by the enforcement.
- Penalties and Appeal (Section 9):

<ul style="list-style-type: none"> — Subsection 1 has been updated to add references to the Cabinet Resolution, Account Holder, and Controlling Person. — Subsection 2 has been added to note that appeal raised against any penalty or fee, or sanction imposed should be raised in accordance with the provisions of Cabinet Resolution. — Directions to comply (Section 10): This section has been added to note that the Regulatory Authority, or its delegate can provide a written notice to any Account Holder, Controlling Person or FI, who they consider has contravened the Cabinet Resolution or these Regulations. — Anti- Avoidance (Section 11): Minor editorial changes have been made to this section. — Specific Controlling Person contravention: This section has been deleted. <p>PART 4: Indemnity and effective date</p> <ul style="list-style-type: none"> — Indemnity (Section 11): No changes have been made to this section. — Effective Date (Section 12): No changes have been made to this section. — Enforcement and Appeals: These sections have been deleted. <p>Note that Schedules 1 and 2 have been deleted in entirety.</p> <p>The amendments went into force on 14 December 2022. Note that the CRS Regulations apply specifically to the Abu Dhabi Global Market.</p>	
<p>References: CRS Regulation Amendment [PDF 172KB]</p> <p>For information on KPMG's global AEOI network professionals, please email GO-FM AEOI Program Support.</p> <p>For more information on KPMG AEOI Updates & Tracking Service, please see here.</p> <p>For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, here.</p>	

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