On October 30, 2020, the Cayman Islands Department for International Tax Cooperation ("DITC") advised industry that the new DITC Portal will open in early November 2020. While not confirmed by DITC, our expectation is the DITC Portal will open around November 6, 2020. Initially, the DITC Portal will be available for FATCA & CRS purposes, with functionality for Economic Substance ("ES") and Country-by-Country reporting ("CbCR") being launched in subsequent phases.

FATCA & CRS

The DITC has confirmed that the 2019 FATCA & CRS reporting deadlines have been extended due to delays in the launch of the new DITC Portal.

- The deadline for registration of new Financial Institutions ("FIs") and submission of 2019 FATCA & CRS Reports has been extended to **December 16, 2020**.

- The deadline for submission of the new CRS Compliance Form is extended to **March 31, 2021**.

Penalties may be applicable where the aforementioned deadlines are not met.

Users who held a User Account on the former AEOI Portal (i.e. Principal Point of Contacts, Authorizing Persons and Secondary Users) will receive an account activation email from donotreply@ditc.ky with steps on how to access the new DITC Portal. These activation emails will be issued in stages as part of the DITC Portal opening process.

User Guidance for the new DITC Portal has not yet been issued. We expect issuance of the Guidance at the same time the DITC Portal goes live, along with a list of key changes between the former AEOI Portal and the new DITC Portal.

Economic Substance & CbCR

The DITC Portal will be the central portal for AEOI, ES and CbCR. The ES and CbCR functionality is not expected to be launched initially but will follow AEOI, on a phased basis. Our expectation is late Q1 2021 for ES and CbCR.

The DITC have also announced that guidance on the requirements of the ES Report will be published shortly, in PDF format, on the DITC website. A separate update on ES Reporting and the ES functionality on the DITC Portal will be issued in due course.

The DITC have confirmed that Country-by-Country notification and reporting for the 2019 Reporting Period will take place on the existing CbCR Portal, available via the DITC website. This reporting must be completed in line with the OECD's CbCr XML Schema 2.0.

CbCR functionality will be added to the DITC Portal in due course, for the 2020 Reporting Period onwards.

Our observations

- **Users who held a User Account on the former AEOI Portal** should ensure that donotreply@ditc.ky is not blocked by email spam filters, and that you have checked spam folders before contacting the DITC Portal Team regarding activations on the DITC Portal .

- **Financial Institutions and Trustee-Documented Trusts ("TDT")** should ensure that new FIs and TDTs are registered with the DITC and the AEOI Reports are submitted prior to the extended deadlines noted above.

- **CRS Compliance Form** The CRS Compliance Form includes a question to which the FI or TDT must confirm it has established and maintained written CRS policies and procedures. If an FI or TDT does not have written CRS policies and procedures in place, this is an action item to be addressed as soon as possible by those charged with governance of the FI or the Trustee of the TDT.

  As the CRS Compliance Form is applicable to the 2019 reporting year, we recommend each Cayman FI or TDT discuss their reporting obligations with any external parties (e.g. administrators, tax advisors) involved in the AEOI reporting process. Practically, this should be discussed concurrently with the 2019 reporting in order to ensure an efficient and complete process for the CRS Reporting and the CRS Compliance Form.

- **Relevant Entities within scope of ES Reporting** should review the DITC Portal ES User Guidance, once it is issued to the public, and complete the ES Report in line with this guidance and Version 3.0 of the ES Guidance Notes. We recommend any Relevant Entity that is within the scope of the ES test should discuss this with any external parties (e.g. administrators, tax advisors) involved in the ES Reporting process.

  Queries relating to ES reporting may be emailed to the DITC ES Team.

- **Ultimate Parent Entities** should ensure the 2019 CbC reports are finalized in line with the OECD's CbCr XML Schema 2.0, prior to Q1 2021. Queries relating to CbC may be emailed to the DITC CbCr Team.

How can we help?

With the announcement earlier this year of a CRS audit program and the new CRS Compliance Form, we recommend that those charged with governance of Cayman Islands FIs and TDTs consider a review of their written policies and procedures and whether an AEOI Health-Check should be conducted this winter to ensure the FI / TDT is adequately prepared, in the event they are selected for a DITC review.

KPMG can also assist with the annual ES and CbC reporting requirements, along with guidance on notifications and entity analysis (for determination if your entity is within scope of the ES and CbC regulations).

If you have any questions on the above, or if you would like any further information, please do not hesitate to contact us.




David Conen
Partner, Tax
KPMG
dgconen@kpmg.ky

Catherine Houts
Director, Tax
KPMG
catherinehouts@kpmg.ky

Gautam Ganeshan
Director, Audit
KPMG
gautamganeshan@kpmg.ky

Jigna Patel
Senior Manager, Tax
Advisory, KPMG
jignapatel@kpmg.ky

Key links

— CRS Compliance Form (expected to be activated once the Portal is accessible) and CRS Compliance Form Notes

— DITC Website

— CbCr XML Schema and User Guide

— KPMG Global AEOI Alerts Summary

— KPMG in the Cayman Islands

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kpmg.com/socialmedia

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If you have any questions, please send an email to marketing@kpmg.ky.

KPMG, P.O. Box 493, Six Cricket Square, Grand Cayman KY1-1106, Cayman Islands