

KPMG AEOI Updates & Tracking Service

FATCA/CRS Alert

Date:	29 June 2022
Alert Type:	Announcement
Country:	Jersey
Regime:	FATCA/CRS

Jersey: Issued Reporting Reminders for FATCA and CRS

On 23 June 2022, the Government of Jersey issued reporting reminders for the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) regimes.

Financial Institutions (FIs) are reminded that the reporting deadline for the FATCA and CRS 2021 reporting period is midnight BST on 30 June 2022. Penalties will be applied to reports received after this date.

Following a recent decision of the Commissioners of Appeal, Revenue Jersey changed their approach to the imposition of penalties for the late filing of FATCA and CRS returns for Trustee Documented Trusts (TDTs). If a trustee files multiple reports after the deadline for the TDT for which it acts, a single penalty for failure to comply with either FATCA or CRS, as appropriate, will be applied to the trustee and not to each of the trusts whose return was filed late. Accordingly:

- Penalty notices for late-filed FATCA and CRS returns for the 2020 reporting period will be issued by 30 June 2022.
- Penalty notices previously issued for the 2017 and 2018 reporting periods will be revised to reflect the imposition of the penalty on the trustee only and the basis of calculation. Trustees affected by this change may receive these revised penalty notices and, if applicable, a refund of amounts overpaid by 30 October 2022.
- Previously issued suspended penalty notices for the 2019 reporting period will be revised and issued by 30 October 2022. These penalties will be due and payable immediately.
- Other unpaid penalties for all periods not under appeal will be referred to the debt team for recovery.

Revenue Jersey confirmed that FIs are not required to report account holders and controlling persons that are residents of Jamaica, Kenya, and New Caledonia in 2022 as the CRS Regulations will not be updated by 30 June 2022 to reflect these new participating jurisdictions.

Further, it is noted that a few FIs may have taken a conservative approach in the past for identifying Pre-existing Low-Value Accounts

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held by Specified US Persons reportable for FATCA. Such approach may have included requesting self-certifications from account holders where it was not required, for instance where the aggregate value of the account(s) did not exceed USD 1,000,000 and no US indicia was found through electronic records search. FIs that took this approach are not required to report individual account holders or controlling persons of entity account holders unless either an electronic record search or the self-certification provided indicates the presence of US indicia.

Finally, the reminder included instructions for reporting TDTs and Investment Entities. To comply with the CRS regulations, a report submitted on behalf of a TDT or Investment Entity must show the TDT or Investment entity's name in the ReportingFI field. There have been some instances where account holders of client entities were incorrectly reported as account holders of the entity submitting the report. Entities submitting reports on behalf of clients should ensure that their quality control reviews can identify if the reports are incorrectly prepared in this way. Provided below are some basic checks which might indicate that further review is needed:

- Check that client entities' names are included in the report(s);
- Compare the number of either <ReportingFI> or, depending on how the report is set up, <ReportingFI> fields in the report(s) with the number of client entities to be reported. There should be either one <ReportingFI> or, depending on how the report is set up, <ReportingFI> field for each client entity.
- Counting how many times the name of the submitting entity appears in either <ReportingFI> or, depending on how the report is set up, <ReportingFI> fields. FIs should not be reported more than once.
- If the entity submitting the report is identified as a Reporting FI in its own right, internal review to confirm if it is consistent with the entity's business activities.

Reference: An email containing the information above was circulated by the Government of Jersey AEOI Team to all subscribers. For further information, please reach out to AEOI@gov.je.

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

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