

## KPMG AEOI Updates & Tracking Service CRS Alert

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<b>Alert Type:</b>	Announcement
<b>Country:</b>	Barbados
<b>Regime:</b>	CRS

### Barbados: Issued Guidance Note on Residence by Investment and Citizenship by Investment Schemes

In November 2023, the Barbados Revenue Authority (BRA) issued Guidance Note OGC No.10/2023, containing guidance for Reporting Barbados Financial Institutions (RBFIs) to ensure compliance under CRS on certain residence by investment (RBI) and citizenship by investment (CBI) schemes. Per the OECD, many countries offer CBI/RBI programs, where foreign individuals can acquire citizenship or residency through local investments or fixed fees. These schemes pose a considerable risk of undermining CRS due diligence, potentially causing inaccurate reporting when all tax residence jurisdictions are not disclosed to Financial Institutions (FIs). This risk occurs when an individual claims tax residency solely in the CBI/RBI jurisdiction, despite not residing there, by providing supporting documents under the scheme.

Per the guidance, RBFIs should refrain from relying on a self-certification or documentary evidence if they know or have reason to believe it is incorrect or unreliable. In assessing reliability, the RBFIs should consider all relevant information, including the results of the CBI/RBI risk analysis conducted by the OECD, [here](#). The guidance further notes that RBFIs may inquire about an “Account Holder” or “Controlling Person” claiming residence in a jurisdiction with a potentially high-risk CBI/RBI scheme by raising certain questions. For example, the RBFIs may ask whether the Account Holder 1) obtained residence rights under such a scheme, 2) holds residence rights in other jurisdictions; 3) spent more than 90 days in any other jurisdiction in the previous year; and 4) filed personal income tax returns in any other jurisdictions during the previous year. If an RBFIs has reason to believe that an “Account Holder” or “Controlling Person” is claiming tax residency under a CBI/RBI scheme after considering all relevant information, it needs to undertake reasonable measures to confirm the tax residence jurisdictions. If the RBFIs realizes that the account holder is a tax resident in a different jurisdiction, it needs to ask for a valid self-certification mentioning the accurate tax residence jurisdictions.

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<p>The guidance also highlights that the OECD has discussed the RBI scheme in Barbados, the Special Entry and Residence Permit (SERP). Where applicable, RBFIs are advised to pose additional questions to confirm whether the “Account Holder” or “Controlling Person” claims residence in Barbados under the SERP Program.</p> <p>The BRA advises RBFIs to contact the Global Relations unit at <a href="mailto:compauth@bra.gov.bb">compauth@bra.gov.bb</a> for any queries.</p>	
<p>Reference: <a href="#">Guidance Note OGC No.10/2023</a></p> <p>For information on KPMG’s global AEOI network professionals, please email <a href="#">GO-FM AEOI Program Support</a>.</p> <p>For more information on KPMG AEOI Updates &amp; Tracking Service, please see <a href="#">here</a>.</p> <p>For additional summaries of the latest AEOI developments, please visit KPMG’s TaxNewsFlash-FATCA/IGA/CRS Insights page, <a href="#">here</a>.</p>	

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