



KPMG AEOI Updates & Tracking Service CRS Alert



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Country:	British Virgin Islands	Regime:	CRS

British Virgin Islands: Webinar on CRS Reporting and Deregistration Procedures for Entities

On 05 June 2024, the International Tax Authority (ITA) of the British Virgin Islands (BVI) hosted a webinar for investment entities subject to Common Reporting Standard (CRS) reporting and obligations. This webinar provides a comprehensive overview of the requirements for filing CRS reports and detailed the submission process via the BVIFARs portal. In addition, the webinar provides guidance with respect to deregistration of entities through the portal.

The deregistration guidelines are as follows:

Virgin Islands Financial Institutions (FIs) that no longer qualify as a FI, are no longer in existence (e.g., due to liquidation), or are no longer a resident of the Virgin Islands (e.g., relocated to another jurisdiction) can submit a deactivation notification via the BVIFARs portal ([here](#)), provided all reporting obligations for prior years have been fulfilled.

However, FIs that have been struck off cannot deregister unless they no longer meet the definition of a FI, as they remain legally existent until they are statutorily dissolved.

Deregistration requests may trigger compliance actions, especially if the FI previously filed reportable accounts. In such cases, the FI must provide information to the compliance unit before final deactivation approval. This is essential, as the ITA must notify the relevant jurisdictions that the FI will no longer file reportable accounts. Similarly, if a FI was misclassified, or it was never an FI, and had filed reportable accounts, the ITA must inform jurisdictions that no further filings will occur from the FI.

Notably, FIs with reportable accounts must ensure that all required information, such as Taxpayer Identification Numbers (TINs),

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dates of birth, and account numbers, are accurately filed and reported up to the date of the deregistration application. FIs with no reportable accounts must file nil reports up to the date of the deregistration application.

Required documents for compliance action:

- For FIs that no longer meet the definition of a FI but now identify as a Non-Financial Entity (NFE), the compliance unit may request a detailed explanation of the change in circumstances, including current business activities and the date the change occurred, along with supporting documentation.
- A copy of any legal advice received regarding the new classification.
- For professionally managed FIs, a copy of the Discretionary Management Termination Agreement.

If a FI claims it was incorrectly classified as a FI, the compliance unit may request:

- Evidence of professional advice received on its CRS classification or a detailed explanation for the claim of misclassification, in the absence of such advice.
- Clarification of its current status as either an active or passive NFE.
- Details of any operational changes since its enrollment.
- Confirmation of the FI managing its accounts and the managing institution's jurisdiction of residence.

Lastly, the ITA advises all entities to submit the amendments made to the CRS reports by 31 August 2024.

Reference: [CRS Webinar](#)

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For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

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