



KPMG AEOI Updates & Tracking Service CRS Alert



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Monaco: Issued Updated AEOI Guidance

In June 2024, Monaco issued an updated version of the Automatic Exchange of Information (AEOI) practical guidance (Version 7) for Reporting Monegasque Financial Institution (FIs). The updates are as follows:

Part 3, Section VI (Special Rules of Due Diligence):

- Section 1.1 (Knowledge criteria applicable to self-certifications) has been updated to provide requirements for Self-certification forms for Account Holders with one or more jurisdiction(s) of residence for tax purposes. Notably, when a self-certification lists only one jurisdiction of tax residence, but the account holder indicates residence in other jurisdictions, the Reporting FIs must document the reasons for accepting the single residence. This may require examining the tax residence definitions and applying relevant tax convention clauses. The reporting FIs are encouraged to review the OECD portal for details on the tax residence criteria for each jurisdictions, [here](#).
- Section 1.2 (Knowledge criteria applicable to supporting documents) has been updated to note the following:
 - Account holders with an FI status will not be required to submit a declaration. Generally, there are no issues when the regulated status can be verified through readily available public information (such as public lists of regulated entities having the status of bank, company of insurance, management company, collective investment organization, etc.). However, challenges may arise for entities claiming FI status which are not subject to supervision in their jurisdiction of residence, particularly

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type 2 investment entities managed by other FIs. In such cases, the reporting FIs must gather additional evidence to support this classification. This includes obtaining certification from the entity's jurisdiction and local authority to confirm its status and justify the entity's registration as an FI.

In addition, FIs should verify that the entity appears on public lists of Foreign Financial Institutions (FFIs) maintained by various authorities, particularly the Internal Revenue Service (IRS) under the FATCA regulations, and has been assigned a Global Intermediary Identification Number (GIIN). However, listing on such registers does not guarantee FI status under CRS. If there is any uncertainty, the reporting FI should reject the classification and treat the entity as a passive NFE and identify and document all controlling persons, including those who are reportable.

- For Active NFEs classification, FIs must ensure that the entity satisfies any of the criteria outlined for active NFEs under paragraph D(9) of Section VIII of the CRS. FIs must obtain additional supporting evidence to justify the classification, such as the entity's financial statements, extracts from the commercial companies register, or any other relevant documentation justifying the classification. If there is any uncertainty, the FI should reject the classification and treat the entity as a passive NFE and identify and document all controlling persons, including those who are reportable.
- Section 1.4 (Reinforced vigilance towards people claiming sole tax residence in a jurisdiction offering a Residence by CBI/RBI scheme) was added to note that individuals claiming tax residency solely in the Citizenship or Residence by investment scheme (CBI/RBI) jurisdictions pose an increased risk regarding accurate identification and reporting all tax residencies for CRS purposes. FIs are encouraged to consult the OECD's list of jurisdictions under the CBI/RBI program, [here](#). If the self-certification forms show tax residency in such CBI/RBI jurisdictions, FIs should verify the information by asking follow-up questions, such as:
 - Have you obtained residence rights under an CBI/RBI scheme?
 - Do you hold residence rights in any other jurisdiction(s)?
 - Have you spent more than 90 days in any other jurisdiction(s) during the previous year?
 - In which jurisdiction(s) have you filed personal income tax returns during the previous year?

— Section 2.2 (validity of self-certifications) under section V [Details of concepts used (Practical Sheet No.4)] has been updated to note that passive NFEs should provide comprehensive details of all individuals with control over the account holding entity. This includes name, address, tax residency, Tax Identification Number (TIN) and AEOI classification of the holding entity.

Part 4, Section I (PRACTICAL SHEET 4: Information to be declared).

Section 2.1 (Information relating to the identity of the account holder) has been updated to remind FIs to collect and report the TIN, or its functional equivalent, from account holders and controlling persons. FIs can find this information in identity documents or other administrative documents, as specified by the jurisdictions on the OECD website.

Reference (French): [AEOI Guidance](#) [PDF 1,020KB]

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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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