



GOVERNMENT OF ANTIGUA AND BARBUDA

Ministry of Finance

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INLAND REVENUE DEPARTMENT

CIRCULAR NO. 4 OF 2024

TO: ALL REPORTING FINANCIAL INSTITUTIONS (RFI)

DATE: NOVEMBER 1ST 2024

CIRCULAR CONTENT - AEOI-CRS

SUBJECT: PRE-EXISTING ACCOUNTS UNDER AEOI-CRS COMPLIANCE

Overview

This circular outlines the categories of Pre-Existing Accounts as defined under the Automatic Exchange of Information (AEOI) and the Common Reporting Standard (CRS), along with the requirements for financial institutions to comply with these regulations.

1. Definition of Pre-Existing Accounts

Pre-Existing Accounts refer to financial accounts that were opened prior to the implementation date of the CRS, before 31 December 2016. These accounts must be assessed for compliance with the due diligence procedures set forth by the CRS. These accounts are subject to specific due diligence procedures to determine whether they are reportable under the Automatic Exchange of Information (AEOI) framework.

2. Categories of Pre-Existing Accounts

Financial institutions should identify and categorize Pre-Existing Accounts into the following:

- **Individual Accounts:** Accounts held by individuals that were established before the effective date of the CRS.
- **Entity Accounts:** Accounts held by entities, including corporations and partnerships, that were opened prior to the CRS implementation.
- **High-Value Accounts:** Accounts with an aggregate balance or value exceeds US\$ 1,000,000 as of 31 December 2016 or 31 December of any subsequent year.
- **Low-Value Accounts:** Accounts that do not exceed the low-value threshold an aggregate balance or value as of 31 December 2016 that does not exceed US\$ 1,000,000.

3. Due Diligence Requirements

Financial institutions must follow specific due diligence procedures for Pre-Existing Accounts, which may include:

- **Self-Certification:** Obtaining self-certification from account holders regarding their tax residency status.
- **Review of Account Information:** Assessing account information against available databases or documents to identify reportable accounts.
- **Enhanced Due Diligence:** Implementing enhanced procedures for high-value accounts or accounts with indicators of potential tax residency in jurisdictions subject to CRS.
- **Documentation Retention:** Maintaining records of the due diligence process, including copies of self-certifications and other relevant documents.

4. Reporting Obligations

After completing due diligence, financial institutions must report relevant account information to the tax authorities, including:

- **Account Holder Identification:** Name, address, and tax identification number of each account holder.
- **Account Balance or Value:** The balance or value of the account as of the reporting date.

- **Income Information:** Any income generated from the account during the reporting period.

5. Non-Compliance with Pre-existing Account Requirements

- Failure to obtain or report pre-existing accounts may result in penalties, including but not limited to:
 - Increased scrutiny from the IRD.
 - Potential penalties in accordance with Section 10 of the AEOI Act 2016 against the financial institution.

6. Guidance for Financial Institutions

To ensure compliance with AEOI and CRS requirements, financial institutions should follow these guidelines:

- **Accurate Management of Tax Identification Numbers (TINs):**
 - Collect and verify TINs for all account holders during the due diligence process.
 - Ensure that TINs are accurately recorded in the institution's systems to facilitate accurate reporting.
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- **Training and Awareness:** Provide training to relevant staff on the importance of TIN collection and the implications of incorrect reporting.
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- **Documentation Retention:** Maintain comprehensive records of the due diligence processes, including copies of self-certifications, TINs, and any correspondence related to account verification.
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- **Risk Assessment:** Conduct regular risk assessments to identify potential areas of non-compliance and take corrective actions as necessary.
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- **Compliance Review:** Establish a routine review process to ensure adherence to CRS requirements, focusing on the accuracy of reported data and the management of TINs.

7. Conclusion

This circular serves to clarify the categories and requirements related to Pre-Existing Accounts under AEOI and CRS. Compliance with these standards is essential to ensure that financial institutions meet their regulatory obligations

For further information, please contact the AEOI/EOI Unit at the IRD at aeoi.information@ab.gov.ag. Please also refer to the relevant IRD's legal framework *the Automatic Exchange of Financial Information Act No. 11 of 2016 and the Automatic Exchange of Financial Information Act No. 18 of 2017* together with relevant amendments. The information has also been posted on the IRD website at <https://ird.gov.ag/index.php/fatca-and-crs>.