



GOVERNMENT OF ANTIGUA AND BARBUDA

Ministry of Finance

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INLAND REVENUE DEPARTMENT

CIRCULAR NO. 7 OF 2024

TO: ALL REPORTING FINANCIAL INSTITUTIONS (RFI)

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CIRCULAR CONTENT - AEOI-CRS

SUBJECT: EXCLUDED ACCOUNTS UNDER AEOI-CRS COMPLIANCE

Overview

This circular outlines the categories and requirements related to Excluded Accounts under the Automatic Exchange of Information (AEOI) and the Common Reporting Standard (CRS). Financial institutions must be aware of which accounts are excluded from reporting obligations to ensure compliance and accurate reporting.

1. Definition of Excluded Accounts

Excluded accounts refer to specific categories of accounts that are not subject to CRS reporting requirements. These accounts typically include low-risk accounts or those that meet certain criteria set by jurisdictions.

2. Categories of Excluded Accounts

Financial institutions should identify and classify the following types of accounts as excluded from CRS reporting:

- **Certain Retirement Accounts:** Specific types of retirement accounts that meet certain legal criteria.
- **Pension Funds:** Some pension funds that qualify under specific conditions may be excluded.
- **Insurance Contracts:** Certain insurance products that are not classified as financial accounts.
- **Special-purpose Accounts:** Accounts established for a specified limited purpose.
- **Depository Accounts:** Accounts that do not produce income or have minimal risk, such as certain depository accounts held by non-residents.
- **Low-risk Accounts:** Accounts that met certain legal criteria.

Please consult the AEOI Regulations 2017 – Schedule 1.

3. Due Diligence Procedures for Excluded Accounts

Financial institutions must implement due diligence procedures to ensure proper identification of excluded accounts, which may include:

- **Account Review:** Regularly review account records to confirm eligibility for exclusion under CRS guidelines.
- **Documentation:** Maintain documentation supporting the classification of accounts as excluded, including evidence of account type and balance verification.

4. Reporting Requirements for Excluded Accounts

- While excluded accounts do not need to be reported under CRS, financial institutions must ensure that they are correctly classified and that records are maintained for potential audits or inquiries by tax authorities.

5. Non-Compliance with Excluded Account Requirements

Failure to properly identify and classify excluded accounts may lead to penalties, including:

- 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

Financial institutions should ensure that:

- Staff are trained to recognize and properly classify excluded accounts.
- Procedures for identifying excluded accounts are documented and consistently applied.
- Regular compliance checks are conducted to assess adherence to excluded account requirements.

7. Conclusion

Understanding and properly managing excluded accounts is crucial for compliance with AEOI and CRS obligations. Financial institutions are encouraged to follow these guidelines to ensure accurate reporting and to minimize the risk of non-compliance.

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>.