



**GOVERNMENT OF ANTIGUA AND BARBUDA**

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**INLAND REVENUE DEPARTMENT**

**CIRCULAR NO. 4 OF 2026**

**TO:**

All Reporting Financial Institutions (RFIs)

**DATE:**

18<sup>TH</sup> May 2026

**CIRCULAR CONTENT:**

AEOI – CRS

**SUBJECT:**

**Enhanced Due Diligence — CBI/RBI Documentation, Reasonableness Testing and Supervisory Monitoring**

**IMPORTANT NOTICE**

This Circular is issued to establish the authoritative position on CBI/RBI documentation.

This Circular must be read together with:

- Circular No. 7 of 2026 (Excluded Accounts);
- Circular No. 5 of 2026 (Undocumented Accounts);
- Circular No. 3 of 2026 (Self-Certification Requirements);
- Circular No. 6 of 2026 (Preexisting Accounts — Due Diligence Procedures);
- Circular No. 8 of 2026 (Anti-Avoidance and Anti-Circumvention);
- the Automatic Exchange of Financial Account Information Act, 2016 (as amended); and
- the Automatic Exchange of Financial Account Information Regulations, 2017 (as amended).

**1. Background and Purpose**

This Circular is issued pursuant to the Automatic Exchange of Financial Account Information Act, 2016 (as amended) and the Automatic Exchange of Financial Account Information Regulations, 2017 (as amended) to establish the authoritative position on the treatment of citizenship-by-investment (CBI) and residence-by-investment (RBI) documentation by Reporting Financial Institutions (RFIs) under the CRS as implemented in Antigua and Barbuda.

The Global Forum peer review of Antigua and Barbuda (Sub-Requirement 1.5.2) found that the financial sector was not clearly applying further checks when CBI/RBI documentation is received to determine the reasonableness of an Account Holder's tax residency claim, and that no verification activities had been conducted to test this in practice. This Circular directly implements the Global Forum's recommendation

that Antigua and Barbuda ensure RFIs are aware of the risks that CBI/RBI documentation may pose and that it is not misused in practice.

Antigua and Barbuda operates a Citizenship by Investment Programme (CIP) under which foreign nationals may obtain Antiguan and Barbudan citizenship by qualifying investment. This creates a specific and elevated risk that CBI documentation may be used to support a self-certification claiming tax residence in Antigua and Barbuda or another CBI/RBI jurisdiction where the Account Holder has no genuine tax nexus, with the effect of avoiding CRS reporting. The OECD identifies CBI/RBI misuse as one of the highest-priority CRS circumvention typologies globally.

## **2. Core Principle — CBI/RBI Documentation Does Not Determine Tax Residence**

**An RFI must not treat the presentation of a CBI or RBI document as, in itself, sufficient to establish an Account Holder’s or Controlling Person’s jurisdiction of tax residence.** CBI/RBI documentation may form part of the evidence base for a self-certification, but it cannot be the sole or primary basis on which the RFI accepts a self-certification claiming tax residence in the CBI/RBI jurisdiction.

Tax residence is determined by the tax laws of the relevant jurisdiction, not by citizenship or residence documents. A person holding an Antiguan and Barbudan CIP passport may be tax resident in a different jurisdiction entirely — the jurisdiction in which they live, work, or maintain their principal economic ties.

This principle flows directly from the reasonableness test set out in Circular No. 3 of 2026. Where a self-certification claiming tax residence in a CBI/RBI jurisdiction is supported only by CBI/RBI documentation, and the RFI holds other information inconsistent with that claim, the self-certification **fails the reasonableness test** and must not be relied upon.

## **3. Identifying CBI/RBI Documentation**

RFIs must have documented procedures to identify when account documentation includes a CBI or RBI document. This includes:

- passports or national identity cards issued under a citizenship-by-investment programme, including Antigua and Barbuda CIP passports;
- residence permits or certificates of residence issued under a residence-by-investment programme; and
- any other documentation indicating that citizenship or residence rights were obtained through investment rather than through conventional naturalisation, birth, or long-term physical presence.

Where account documentation includes a CBI or RBI document, the account must be flagged for enhanced due diligence and the flag retained in the account record.

## **4. Enhanced Due Diligence Procedures**

### **4.1 Enhanced Scrutiny of the Self-Certification**

Where a self-certification claiming tax residence in a CBI/RBI jurisdiction is supported by CBI or RBI documentation, the RFI must **not accept the self-certification without enhanced scrutiny**. Enhanced scrutiny must include:

- requiring documentary evidence of genuine tax nexus to the declared jurisdiction beyond the CBI/RBI document, such as: a tax residency certificate from the tax authority of the declared jurisdiction; evidence of physical presence consistent with tax residence (property records, utility bills, employment records); evidence of TIN registration or tax filing in the declared jurisdiction; or evidence of meaningful economic ties to that jurisdiction;

- applying the full reasonableness test from Circular No. 3 of 2026, assessing whether the declared jurisdiction is consistent with the Account Holder’s address, employment, source of funds, telephone numbers, standing instructions, and all other information held by the RFI; and
- documenting the enhanced scrutiny outcome in the account record: the CBI/RBI document identified; additional evidence obtained; the reasonableness assessment; and the conclusion on the Account Holder’s declared jurisdiction(s) of tax residence.

#### **4.2 Where Enhanced Scrutiny Does Not Produce Satisfactory Evidence**

Where enhanced scrutiny does not produce satisfactory evidence of genuine tax nexus to the declared jurisdiction, the RFI must:

- seek a corrected self-certification identifying the jurisdiction(s) of genuine tax residence, supported by documentary evidence;
- where a corrected self-certification passes the reasonableness test, rely on it for CRS purposes;
- where no satisfactory corrected self-certification can be obtained, treat the account as a Reportable Account in the most conservative manner consistent with all available information; and
- document and retain the full sequence of steps taken.

#### **4.3 Controlling Persons of Passive NFEs**

The enhanced due diligence obligations in this Circular apply equally to self-certifications from Controlling Persons of Passive NFEs who present or hold CBI or RBI documentation.

#### **4.4 Existing Accounts — Review Obligation**

Where an RFI holds CBI or RBI documentation for an existing Account Holder or Controlling Person and the self-certification on file claims tax residence in the CBI/RBI jurisdiction without supporting evidence of genuine tax nexus, the RFI must complete a review of that self-certification in accordance with Section 4.1 by **30 September 2026**. Where the review results in corrected reporting obligations, corrected CRS returns must be submitted for all affected prior reporting periods.

### **5. Prohibition on Facilitating CBI/RBI Misuse**

An RFI must **not** advise, suggest, or imply to any Account Holder, Controlling Person, or third party that obtaining a CBI or RBI document will affect their CRS reporting position. An RFI must not suggest that a CBI/RBI document alone establishes tax residence for CRS purposes, or assist any arrangement designed to use CBI/RBI documentation to circumvent CRS reporting obligations.

Such conduct constitutes facilitation of CRS circumvention under the anti-avoidance rule in Section 6 of the Act. See Circular No. 8 of 2026 for the full anti-circumvention framework.

### **6. Supervisory Monitoring and Audit**

CBI/RBI risk is a priority supervisory topic embedded in every onsite audit through the CRS FI Audit Tool (2026), which:

- requires auditors to identify accounts where the declared residence is a CBI/RBI jurisdiction and include sufficient CBI/RBI-linked accounts in the audit scope regardless of random sampling outcomes;
- contains dedicated interview questions on the RFI’s CBI/RBI identification procedures and enhanced scrutiny steps; and
- requires account-level verification that: the self-certification is supported by evidence of genuine tax nexus; the reasonableness test was applied; and account record documentation is sufficient.

Non-compliance may result in findings of non-compliance, required re-application of enhanced due diligence, submission of corrected CRS returns, and penalties under Section 10 of the Act including USD 10,000 per failure with a daily penalty of USD 5,000.

## **7. Internal Controls and Staff Training**

RFIs must ensure that:

- account opening procedures identify CBI/RBI documentation and flag accounts for enhanced due diligence;
- self-certification validation procedures require evidence of genuine tax nexus where CBI/RBI documentation is presented;
- a review of existing accounts with CBI/RBI documentation on file is completed by 30 September 2026;
- staff are trained on the CBI/RBI risk, enhanced due diligence obligations, facilitation prohibition, and escalation process;
- CBI/RBI risks are reflected in the RFI's anti-circumvention policy (see Circular No. 8 of 2026); and
- internal CRS policies and procedures are updated to reflect this Circular with immediate effect.

This revision reflects recommendations made by the Global Forum on Transparency and Exchange of Information for Tax Purposes as part of its peer review of Antigua and Barbuda's AEOI/CRS framework.

## **8. Effective Date and Remediation**

This Circular takes **immediate effect**. RFIs must update their internal procedures immediately, complete the review required by Section 4.4 by **30 September 2026**, and report the outcome to the IRD by the same date using the AEOI-CRS Compliance Form.

## **9. Further Information**

Questions regarding this Circular may be directed to the AEOI/EOI Unit at:

[aeoi.confidential@ab.gov.ag](mailto:aeoi.confidential@ab.gov.ag)

Further information is available on the IRD website at <https://ird.gov.ag/index.php/fatca-and-crs> and in the relevant legal framework: the Automatic Exchange of Financial Account Information Act No. 11 of 2016 and the Automatic Exchange of Financial Account Information Regulations No. 18 of 2017, together with all relevant amendments.

*Commissioner  
Inland Revenue Department  
May 2026*