



GOVERNMENT OF ANTIGUA AND BARBUDA

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INLAND REVENUE DEPARTMENT

CIRCULAR NO. 7 OF 2026

TO:

All Reporting Financial Institutions (RFIs)

DATE:

18TH May 2026

CIRCULAR CONTENT:

AEOI – CRS

SUBJECT:

Excluded Accounts — Legal Framework, Classification Conditions, Documentation and Monitoring

IMPORTANT NOTICE

This Circular supersedes and replaces **Circular No. 7 of 2024 and Circular No.1 of 2025** in their entirety. All guidance previously issued under **Circular No. 7 of 2024 and Circular No.1 of 2025** are hereby withdrawn. Reporting Financial Institutions must apply the guidance in 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.

This Circular must be read together with:

- Circular No. 3 of 2026 (Self-Certification Requirements — Amended Guidance);
- Circular No. 4 of 2026 (Preexisting Accounts — Due Diligence Procedures);
- Circular No. 6 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 replace Circular No. 7 of 2024 and to set out the complete and authoritative position on Excluded Accounts under the CRS as implemented in Antigua and Barbuda.

2. Mandatory Remediation — Identification and Reversal

Every RFI must carry out an immediate review of its Excluded Account classifications to identify any account that was classified as Excluded on the basis of previous guidance. This review is mandatory and must be completed by 30 September 2026.

The review must cover all accounts currently classified as Excluded and all accounts that have been closed or transferred within the last five years where the classification as Excluded may have affected whether the account was reported. The review must be conducted on an account-by-account basis against the Schedule 1 conditions set out in Section 3 of this Circular.

Where any account is identified as having been incorrectly classified as Excluded under the previous guidance, the RFI must:

- re-classify the account as a Financial Account with immediate effect;
- apply the applicable CRS due diligence procedures (New Account or Preexisting Account procedures, as applicable) to determine whether the account is a Reportable Account;
- where the account is determined to be a Reportable Account, submit corrected CRS returns for all reporting years in which the account was incorrectly omitted from the RFI's CRS submission; and
- retain full documentation of the review, the accounts identified, the re-classification decision, and the corrected reporting.

Corrected CRS returns must be submitted through the AEOI-CRS portal. Where an RFI is uncertain how to submit corrected returns, it must contact the AEOI/EOI Unit at aeoi.confidential@ab.gov.ag before the 30 September 2026 deadline.

3. Reporting to the IRD

Each RFI must report to the IRD on the outcome of the review required by Section 3 by 30 September 2026 using the AEOI-CRS Compliance Form available on the IRD website. The report must state: the number of accounts reviewed; the number identified as incorrectly classified under the previous guidance; the reporting years affected; and the corrective action taken.

The IRD will treat failure to complete the review and report by 30 September 2026 as an aggravating factor in any subsequent enforcement action in respect of the affected accounts.

4. Legal Framework — The Correct Standard

The categories of Excluded Accounts for Antigua and Barbuda are set out in Schedule 1 to the Automatic Exchange of Financial Account Information Regulations, 2017 (as amended). An account is an Excluded Account only if it falls within one of the categories specified in Schedule 1 and the conditions applicable to that category are satisfied. No account may be classified as Excluded on any other basis.

RFIs must ensure that their internal classification of accounts as Excluded is based on a documented analysis of whether the account meets the applicable Schedule 1 conditions, not on a general assumption that the account type falls within an excluded category, and not on any description that is not expressly grounded in Schedule 1.

5. Categories of Excluded Accounts

The following categories of Excluded Accounts are recognised under Schedule 1 to the Regulations. This list is illustrative of the principal Schedule 1 categories; RFIs must consult Schedule 1 directly for the complete and authoritative list and for the specific conditions applicable to each category.

- **Retirement and pension accounts:** accounts that satisfy the Schedule 1 conditions for retirement or pension accounts, including conditions relating to annual contribution limits, tax-favoured status

under domestic law, and restrictions on the use of assets before retirement age. Not every pension-related account qualifies. The conditions must be assessed for each account individually.

- **Non-retirement tax-favoured accounts:** accounts that satisfy the Schedule 1 conditions for non-retirement savings accounts with tax-favoured status, including conditions relating to permissible purposes (education, health, housing), annual contribution limits, and restrictions on withdrawals for non-qualifying purposes.
- **Term life insurance contracts:** term life insurance contracts that satisfy the Schedule 1 conditions, including that the contract has no cash surrender value and is not held by or for the benefit of a non-resident.
- **Estate accounts:** accounts held solely because of a deceased individual's estate, where the account documentation includes a copy of the deceased's will or death certificate.
- **Escrow accounts:** accounts established in connection with a court order or judgment, or to hold funds deposited as security in connection with the sale or exchange of real property, where the account meets the applicable Schedule 1 conditions.
- **Certain depository accounts:** depository accounts that meet the specific Schedule 1 conditions applicable to that category. The non-resident status of the Account Holder, the low income generated by the account, or the perceived low risk of the account are **not** conditions for this category and are **not** a basis for exclusion.
- **Other low-value accounts:** accounts that satisfy the specific Schedule 1 conditions for low-value exclusion, including applicable balance thresholds and account type conditions.

For the avoidance of doubt: there is no Excluded Account category in Schedule 1 based on "specified limited purpose", "minimal risk", "low income", or "non-resident status" alone. Any account previously classified as Excluded on one of those bases was incorrectly classified and must be reviewed in accordance with Section 3 of this Circular.

6. Conditions for Exclusion

An account qualifies as an Excluded Account only where:

- it falls within a category specified in Schedule 1 to the Regulations;
- all conditions applicable to that category are met; and
- the RFI holds documentation demonstrating that the conditions are met.

Where any one of the applicable conditions is not met, the account cannot be classified as Excluded and must be treated as a Financial Account subject to the applicable CRS due diligence and reporting obligations. RFIs may not apply a partial or approximate assessment of the Schedule 1 conditions.

7. Documentation and Record-Keeping

For each account classified as Excluded, the RFI must hold and retain, for a minimum of five years from the date of classification:

- a record of the specific Schedule 1 category under which the account is classified;
- evidence that each applicable condition for that category is satisfied (including, where relevant, account balance information, contract terms, statutory basis, and account holder documentation); and
- a record of the date on which the classification was made and the date of each subsequent periodic review.

Documentation must be held in a form accessible to the IRD on request during any desk-based review or onsite audit. A classification without supporting documentation will be treated as an unsupported classification during audit.

8. Periodic Review of Excluded Account Classifications

All accounts classified as Excluded must be reviewed at least annually to verify that the conditions for exclusion continue to be met. Where a change in circumstances causes an Excluded Account to no longer satisfy the applicable Schedule 1 conditions, the account must be re-classified as a Financial Account with immediate effect and the applicable CRS due diligence procedures applied from the date of re-classification.

A change in circumstances may include: a change in the account balance that causes the account to exceed an applicable threshold; a change in the account terms that alters the product type or tax treatment; or any other change that affects the fulfilment of the Schedule 1 conditions. RFIs must have documented procedures for identifying and recording changes in circumstances that affect Excluded Account classifications.

9. Anti-Circumvention Risk

The misclassification of a Financial Account as an Excluded Account is a recognised circumvention risk under the CRS and is addressed in Circular No. 6 of 2026. An RFI must **not** classify an account as Excluded where:

- the product does not genuinely meet the Schedule 1 conditions, regardless of how the product is described or marketed;
- the RFI has reason to believe the account has been structured or reclassified with a purpose of avoiding CRS reporting; or
- the classification cannot be supported by documentation.

Where an RFI identifies or suspects that an account has been misclassified as Excluded for circumvention purposes, the anti-avoidance rule in Section 6 of the Act applies and the account must be treated as a Financial Account subject to the applicable due diligence and reporting obligations.

10. Supervisory Monitoring and Audit

The IRD verifies Excluded Account classifications during onsite audits. For each sampled Excluded Account, auditors verify: whether the account falls within a Schedule 1 category; whether all applicable conditions are met; whether the supporting documentation is held on file; and whether the classification has been periodically reviewed.

In addition, following the Global Forum peer review finding, the IRD will specifically verify during all audits whether any accounts have been classified as Excluded on the basis of the two incorrect descriptions identified (“specified limited purpose” or “low income / minimal risk / non-resident depository”). Where any such accounts are identified during audit that have not already been identified, re-classified, and corrected by the RFI, in accordance with Section 3, this will be treated as an aggravated compliance failure.

Non-compliance may result in findings of non-compliance, required reapplication of due diligence and reporting for misclassified accounts, submission of corrected CRS reports for all affected reporting periods, and the application of penalties under Section 10 of the Act, including USD 10,000 per failure with a daily penalty of USD 5,000 for continued non-compliance.

11. Internal Controls and Staff Training

RFIs must ensure that:

- policies and procedures correctly identify the Schedule 1 categories of Excluded Accounts and the conditions applicable to each,
- the mandatory review required by Section 3 is completed and reported to the IRD by 30 September 2026;
- systems classify accounts as Excluded only where a documented analysis confirms the applicable Schedule 1 conditions are met;
- a periodic review process (at least annual) is in place for all accounts classified as Excluded;
- staff are trained on the correct Schedule 1 conditions, the two incorrect classifications that must not be applied, and the obligation to escalate uncertain classifications for senior compliance review;
- the anti-circumvention risk associated with Excluded Account misclassification is addressed in the RFI's anti-avoidance policy (see Circular No. 6 of 2026); and
- internal CRS policies and procedures are updated to reflect this Circular with immediate effect.

12. Effective Date and Remediation

This Circular takes immediate effect. The mandatory remediation review required by Section 3 must be completed and reported to the IRD by **30 September 2026**. All other obligations in this Circular apply from the date of issue.

13. Further Information

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

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