



GOVERNMENT OF ANTIGUA AND BARBUDA

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INLAND REVENUE DEPARTMENT

CIRCULAR NO. 8 OF 2026

TO:

All Reporting Financial Institutions (RFIs)

DATE:

18TH May 2026

CIRCULAR CONTENT:

AEOI – CRS

SUBJECT:

Anti-Avoidance and Anti-Circumvention — Obligations, Recognised Schemes and Supervisory Monitoring

IMPORTANT NOTICE

This Circular supersedes and replaces **Circular No. 6 of 2024 and Circular No.4 of 2025** in their entirety. All guidance previously issued under **Circular No. 6 of 2024 and Circular No.4 of 2025** are hereby withdrawn.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. 1 of 2026 (Tax Identification Numbers — Collection, Reporting and Monitoring Requirements);
- Circular No. 3 of 2026 (Self-Certification Requirements — Amended Guidance);
- Circular No. 6 of 2026 (Preexisting Accounts — Due Diligence Procedures);
- 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. 6 of 2024 and to set out the authoritative position on the anti-avoidance and anti-circumvention obligations of Reporting Financial Institutions under the CRS as implemented in Antigua and Barbuda.

2. The CRS Anti-Avoidance Rule

The Automatic Exchange of Financial Account Information Act, 2016 (as amended) gives effect to the CRS anti-avoidance/circumvention rule. That rule provides that any arrangement or transaction is to be disregarded if it can reasonably be concluded that it was entered into or carried out with a main purpose of avoiding the due diligence and reporting obligations imposed by the CRS.

The anti-avoidance rule operates objectively. It does not require the RFI to establish intent on the part of the Account Holder. It requires the RFI to assess, based on all information available, whether the main purpose of an arrangement or transaction can reasonably be concluded to be circumvention of CRS obligations. Where that conclusion is reasonably open, the arrangement must be disregarded and the due diligence and reporting obligations applied as if the arrangement did not exist.

3. Recognised Circumvention Schemes

The OECD has identified the following schemes as circumvention arrangements for the purposes of the CRS. RFIs must be alert to each of these:

- **CBI/RBI misuse:** the use of citizenship-by-investment (CBI) or residence-by-investment (RBI) documentation to support a self-certification claiming tax residence in a jurisdiction where the Account Holder has no genuine tax nexus. This is the highest-risk circumvention typology for Antigua and Barbuda given its CBI programme. See also Circular No. 4 of 2026.
- **Nominee arrangements:** the opening of accounts in the name of a nominee, intermediary, or third party with the effect of obscuring the identity or tax residence of the true beneficial owner or Controlling Person.
- **Account fragmentation:** the splitting of accounts across multiple institutions or jurisdictions with the purpose of remaining below applicable thresholds (for example, the High Value Account threshold) and avoiding enhanced due diligence.
- **Offshore trust and corporate structures:** the use of multi-layered entity structures, including trusts, foundations, or special purpose vehicles, to obscure the identity of the ultimate beneficial owner and prevent look-through to Reportable Controlling Persons.
- **Insurance product reclassification:** the restructuring of financial products as insurance contracts or other excluded account types in order to avoid CRS reporting, where the product does not genuinely qualify as an excluded account.
- **Late self-certification substitution:** the provision of a revised self-certification claiming a non-Reportable Jurisdiction after the Account Holder becomes aware that their account is being reported, where the revised self-certification is inconsistent with information previously held by the RFI.

4. RFI Obligations When Circumvention is Identified or Suspected

4.1 Due Diligence Obligations

Where an RFI identifies or has reason to suspect that a circumvention arrangement is in place, the RFI must:

- disregard the arrangement for CRS purposes and apply the due diligence and reporting obligations as if it did not exist;
- apply the reasonableness test to any self-certification associated with the arrangement (see Circular No. 3 of 2026);
- obtain additional documentary evidence to support or contradict the self-certification, including identity documents, tax residency certificates, and evidence of economic ties to the declared jurisdiction; and

- escalate the account to a senior compliance officer for review before accepting the self-certification or closing the account.

4.2 Reporting Obligations

Where an RFI has identified a circumvention arrangement and disregarded it for CRS purposes, the RFI must:

- report the account as a Reportable Account in respect of the jurisdiction(s) that would have been identified but for the arrangement;
- include the correct Account Holder or Controlling Person information based on the true beneficial owner, not the nominee or intermediary; and
- retain full documentation of the arrangement identified, the steps taken, and the reporting decision.

4.3 Suspicious Activity Reporting

Where an RFI identifies a circumvention arrangement that may also constitute a money laundering or tax evasion offence, the RFI must consider its obligations under the Money Laundering (Prevention) Act and the reporting requirements of the ONDCP. CRS circumvention and AML suspicious activity reporting obligations are parallel and not mutually exclusive.

5. Enhanced Due Diligence for CBI/RBI Accounts

The use of a CBI or RBI document (including an Antigua and Barbuda passport or residence certificate issued under the Citizenship by Investment Programme) to support a self-certification claiming tax residence **outside** Antigua and Barbuda requires enhanced scrutiny. An RFI must **not** accept such a self-certification at face value. The RFI must:

- require documentary evidence of genuine tax nexus to the declared jurisdiction, including evidence of physical presence, employment, business activity, or official tax registration in that jurisdiction;
- apply the reasonableness test as described in Circular No. 3 of 2026, specifically assessing whether the claim of tax residence in the non-CBI jurisdiction is consistent with all other information held by the RFI; and
- retain all enhanced due diligence documentation in the Account Holder's CRS file.

Where the enhanced due diligence does not produce satisfactory evidence of genuine tax nexus in the declared jurisdiction, the RFI must **not rely on the self-certification** and must treat the account as a Reportable Account in the most conservative manner consistent with available information.

6. RFI Conduct — Prohibition on Facilitating Circumvention

An RFI must **not** take any step that facilitates, enables, or assists circumvention of CRS obligations by any Account Holder, Controlling Person, or third party. This includes:

- advising or suggesting to an Account Holder that they obtain a CBI/RBI document for the purpose of claiming non-Reportable Jurisdiction residence;
- accepting a self-certification that the RFI knows or has reason to believe is incorrect;
- structuring accounts or products to fall outside the CRS reporting scope where the substance of the arrangement does not support that classification; and
- failing to apply look-through procedures to entity structures where the RFI has reason to believe those structures are designed to obscure beneficial ownership.

An RFI that facilitates circumvention may be subject to penalties not only for the specific reporting failure but also for the broader conduct of enabling non-compliance, in accordance with Section 10 of the Act.

7. Supervisory Monitoring and Audit

The IRD monitors circumvention risk through: annual analysis of CRS data for patterns indicative of circumvention (for example, a high proportion of accounts with CBI jurisdiction residence claims, late self-certification revisions, or clustered account balances just below High Value thresholds); review of self-certification and documentary evidence during onsite audits; and engagement with Global Forum peer review findings and OECD typologies published in the annual CRS Implementation Report.

During audits, the IRD will verify: whether the RFI has a documented anti-circumvention policy; whether the reasonableness test is applied to self-certifications; whether CBI/RBI accounts are subject to enhanced due diligence; and whether any circumvention arrangements identified have been disregarded and reported correctly.

Non-compliance may result in findings of non-compliance, required reapplication of due diligence, submission of corrected CRS reports, 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.

8. Internal Controls and Staff Training

RFIs must ensure that:

- a documented anti-avoidance and anti-circumvention policy is in place, covering the specific schemes listed in Section 3, the RFI's obligations on identification, the due diligence and reporting response, and the prohibition on facilitating circumvention;
- staff are trained to recognise the red flags associated with each recognised circumvention scheme, with specific training on CBI/RBI account handling;
- an escalation process exists for suspected circumvention accounts, including senior compliance officer review before a self-certification is accepted or rejected;
- the anti-circumvention policy is reviewed at least annually and updated for new OECD typologies and Global Forum guidance; and
- internal CRS policies and procedures are updated to reflect this Circular with immediate effect.

9. Effective Date

This Circular takes **immediate effect**. RFIs must review their anti-avoidance and anti-circumvention policies and procedures against the requirements in this Circular and report to the IRD on any material gaps identified by **30 September 2026** using the AEOI-CRS Compliance Form.

10. 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