



January 28, 2025

GUIDANCE NOTE

No. 01 /2025

Reference	International Tax Compliance (CRS) (Amendment) Regulations, 2024
Title	Common Reporting Standard – Undocumented Accounts - Lower Value Accounts and High Value Accounts
Purpose	To provide guidance to Anguilla Financial Institutions about the identification and classification of undocumented lower value and high value accounts for the purposes of compliance with the Common Reporting Standard

International Tax Compliance (CRS) Regulations, 2016

Common Reporting Standard – Undocumented Accounts - Lower Value Accounts and High Value Accounts

The International Tax Cooperation Unit at the Ministry of Finance (“the Authority”) has penned this note to provide Reporting Financial Institutions (“RFI”) with guidance as to what constitutes an “Undocumented Account” per the Common Reporting Standard (“CRS”). This information should assist with the proper classification of an account as undocumented.

What is an Undocumented Account?

According to the CRS, an account is deemed to be undocumented where:

- a RFI maintains a pre-existing individual account for which only a hold-mail or in-care of address in a reportable jurisdiction is captured; and

- no other CRS indicia is captured as part of the electronic indicia search and/or paper record search; and
- the RFI is unable to obtain a self-certificate.

The criteria for reporting an undocumented account can be found in **Section III of subparagraphs B.2, B.5, C.5(c) and C.7 of the CRS.**

Lower Value Accounts

Per Section I of the International Tax Compliance (CRS) Regulations, 2016 Regulations a “lower value account” means a pre-existing individual account with an aggregate balance or value as of the 30th day of June 2016 that does not exceed USD\$ 1,000,000.00.

Where the RFI has in its records a current residence address for the individual account holder based on documentary evidence, the RFI may treat the individual account holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual account holder is a reportable person. However, where the RFI does not rely on a current residence address for the individual account holder based on documentary evidence as set forth above, the RFI must review electronically searchable data maintained by the RFI outlined in **subparagraph B (2) of the CRS.**

Where none of the indicia is found in the electronic search, no further action is required unless there is a change in circumstances that impacts one or more indicia associated with the account. The RFI is not required to re-apply the procedure set forth above; however, the RFI must report the lower value account as an undocumented account until such account ceases to be undocumented or the account becomes a high value account.

High Value Account

Per Section I of the International Tax Compliance (CRS) Regulations, 2016 Regulations a “high value account” means a pre-existing individual account with an aggregate balance or value that exceeds USD \$1,000,000 as of the 30th of June, 2016 or the 31st of December of any subsequent calendar year.

The RFI must review its electronically searchable data for any of the indicia described in **Section III of subparagraphs B.2 of the CRS.** Where the electronic record search does not capture all of the described in **paragraph C (3) of the Standard,** the RFI must review the current customer master file and, to the extent not contained in the current master file, the below listed documents associated with the account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in **subparagraph B (2) of the CRS:**



- a) the most recent Documentary Evidence collected with respect to the account;
- b) the most recent account opening contract or documentation;
- c) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;
- d) any power of attorney or signature authority forms currently in effect; and
- e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.

In addition to the electronic and paper record search, a relationship manager inquiry is also required, the RFI must consider whether the relationship manager associated with the high value account has actual knowledge that identifies the account holder as a reportable person.

In the instance where a “hold mail” instruction or “in-care-of” address is found in the enhanced review the RFI must procure a self-certification or documentary evidence to establish the Account Holder’s residence(s) for tax purposes, and if this cannot be obtained then the account must be reported as an Undocumented Account. However, the RFI must continue to enforce the enhanced review procedures for the high value pre-existing individual accounts on an annual basis until such accounts cease to be undocumented.

All undocumented accounts should be captured in the CRS report submitted to the Authority on an annual basis.

Should you have any queries about the guidance note, please direct your queries to the International Tax Cooperation Unit at the Ministry of Finance via email at Anguilla.eoi@gov.ai

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