

Alert

Recent Changes to FATCA and the Common Reporting Standard Obligations in the Cayman Islands

Author: Nicholas Pattman, Partner

Regulations enacted recently under the Tax Information Authority Law (2017 Revision) amend the deadlines for the submission of information to the Cayman Islands Tax Information Authority (the TIA) in accordance with the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). FATCA compliance now also requires the appointment of an Authorising Person. These changes came into effect on 20 February 2020.

Reporting deadlines amended

The date by which Cayman Islands Reporting Financial Institutions (“Cayman Islands Reporting FIs”) must complete their reporting in respect of CRS to the TIA in each reporting year with effect from the 2020 reporting year has been changed from 31 May to 31 July under the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2020 (the “CRS Regulations”). The reporting deadline for the 2019 reporting year has, meanwhile, been extended to 18 September 2020 due to the development of the new Department for International Tax Cooperation (DITC) portal.

The DITC portal is expected to launch in June 2020. In addition to the information required in respect of each reportable account, Cayman Islands Reporting FIs must also provide any information reasonably required by the TIA to ensure the effective implementation of, and compliance with, reporting and due diligence requirements under CRS. It is important to note that Cayman Islands Reporting FIs must still provide a ‘nil’ report where they have no reportable accounts to disclose.

Similarly, the deadline for Cayman Islands Foreign Financial Institutions to report information in relation to accounts held by Specified US persons or relevant non-US entities to the TIA has been changed from 31 May to 31 July pursuant to the Tax Information Authority (International Tax Compliance) (United States of America) (Amendment) Regulations, 2020 (the “FATCA Regulations”) with the same extension of the reporting deadline for the 2019 reporting year to 18 September 2020.

Authorised person as point of contact

Under the CRS Regulations, a Cayman Islands Reporting FI may identify and authorise a “person”, rather than an “individual” as previously required, as the entity’s principal point of contact (“PPOC”) for the purposes of its compliance with CRS and, except in circumstances specified by the TIA, a second “person” authorised to give change notices in respect of the PPOC (“Authorising Person”). This requirement is now also prescribed in the FATCA Regulations and the full name, address, designation and contact details of the PPOC and the Authorising Person must be provided to the TIA at the time of notification.

Author:

Nicholas Pattman
 Partner
 nicholas.pattman@conyers.com
 +1 345 814 7765

Other Contact:

Jarladth Travers
 Senior Vice President and Head of Conyers FIG (Cayman) Limited
 jarladth.travers@conyers.com
 +1 345 814 7773

This article is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to merely provide a brief overview and give general information.

For further information please contact: media@conyers.com