

## Transition from UK IGA to the CRS

Jersey is committed to the adoption of the global Common reporting Standard (CRS) on Automatic Exchange of Information with effect from 1 January 2016 with first reporting of reportable financial accounts in 2017. Jersey expects to be joined by up to some 60 jurisdictions including all the EU Member States with the exception of Austria who will have an extra year before implementation. As one of these jurisdictions, and as an EU Member State committed to adopt the amended Directive on Administrative Cooperation providing for the implementation of the CRS, the UK has indicated that it would wish also to changeover from the existing intergovernmental agreement (the UK IGA) with Jersey and the other CDs and the OTs to the CRS as from 1 January 2016.

With the changeover, however, the UK does not wish to forego information for 2016 to be reported in 2017 under the IGA which under the CRS would not need to be provided until 2018. In agreeing to the changeover the Jersey authorities have agreed that for 2016 the CRS requirements should be supplemented by the provision of information on pre-existing individual low value accounts and pre-existing entity accounts in respect of UK residents only. This means that the UK can receive information in 2017 without requiring Jersey financial institutions to make separate returns under both the UK IGA and the CRS.

Another effect of the changeover arises from the fact that the CRS does not provide for any special arrangements such as the Alternative Reporting Regime for Res Non-Doms under the IGA. Accordingly as a result of the adoption of the CRS from 1 January 2016 reporting in respect of all UK accounts will be required in 2017 including all UK non-domiciled account holders. ARR will therefore be available in respect of 2014 and 2015 only.

The Taxation (Implementation) (International Tax Compliance) (United Kingdom) Jersey Regulations 2014 will be amended to provide for the changeover while retaining the reporting requirements in respect of all 2014 and 2015 and some 2016 (see above) reportable accounts. Guidance to be issued will make it clear that due diligence already undertaken on UK reportable accounts for the purposes of the UK IGA will not need to be repeated for the CRS.

Accounts identified as UK reportable for 2016 in accordance with the above requirements will be reportable to the Comptroller of Taxes no later than 30 June 2017 in the OECD CRS XML Format, in common with other CRS reporting jurisdictions' accounts.

If there are queries arising from the foregoing please do not hesitate to contact Colin Powell ([c.powell@gov.je](mailto:c.powell@gov.je)).

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