

The Common Reporting Standard and Crypto-Asset Reporting Framework in the Cayman Islands

Issued by The Organisation for Economic Co-Operation and Development

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Preface

This publication has been prepared to provide an overview of the common reporting standard ("**CRS**") issued by the Organisation for Economic Co-Operation and Development ("**OECD**"). It has been updated to reflect the key changes introduced by the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2025. It deals in broad terms with the implementation of the CRS in the Cayman Islands. It is not intended to be exhaustive, or to be a substitute for legal advice or a legal opinion, but merely to provide brief details and information which we hope will be of use to our clients. We recommend that our clients and prospective clients seek legal advice in the Cayman Islands on their specific proposals before taking steps to implement them.

Persons are also advised to consult their tax, legal and other professional advisers in their respective jurisdictions as necessary.

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1. INTRODUCTION

The OECD Standard for Automatic Exchange of Financial Account Information (commonly known as the Common Reporting Standard or “**CRS**”) is a global information exchange regime developed to facilitate and standardise the automatic exchange of information (“**AEOI**”) on residents’ assets and income between participating jurisdictions on an annual basis. In late 2025, the Cayman Islands passed the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2025 (the “**Amending Regulations**”), which introduce a number of significant changes to the CRS framework, primarily effective from 1 January 2026. The OECD has previously concluded that the Cayman Islands has put the necessary legal frameworks in place and is successfully exchanging information without significant timing or technical issues, awarding the jurisdiction the highest possible rating for the effectiveness of its AEOI regime.

The Cayman Islands have implemented the CRS into local legislation through The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (the “**Principal Regulations**”) pursuant to The Tax Information Authority Act (the “**TIA Act**”). The Amending Regulations update and modify the Principal Regulations.

The Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the “**Convention**”) was extended to the Cayman Islands by the United Kingdom with effect from 1 January 2014 and permits participating countries to enter into agreements that provide for the AEOI with respect to certain tax matters. Through the operation of the Convention, the Cayman Islands, along with more than 100 other countries, have signed or committed to sign a Multilateral Competent Authority Agreement providing the legal basis through which countries can agree to the CRS.

The Cayman Islands was one of the first countries to agree to implement the AEOI under the CRS (referred to as the “**Early Adopter Group**”), with the first exchanges of information between competent authorities of participating jurisdictions having taken place on 30 September 2017. The United States (“**U.S.**”), although an OECD member, is not part of the Early Adopter Group and will instead continue to rely on the provisions of the U.S. Internal Revenue Code commonly known as the Foreign Account Tax Compliance Act (“**FATCA**”) and related intergovernmental agreements regarding the AEOI in relation to tax matters. On 31 March 2025, the latest [list of CRS reportable jurisdictions](#) was published in the Cayman Islands Gazette.

2. HOW DOES THE CRS AFFECT CAYMAN ISLANDS ENTITIES?

Similarly to FATCA, the CRS requires certain Cayman Islands reporting financial institutions (“**Cayman Islands Reporting FIs**”) to identify the tax residency of their account holders and then to report certain information on Reportable Accounts maintained for such account holders, being both new and pre-existing accounts held by individuals and entities (which includes trusts and foundations). For the CRS, certain requirements also fall on Non-Reporting Financial Institutions (“**Non-Reporting FIs**”). In the case of any non-individual account holder that is a “passive non-financial entity” (“**Passive NFE**”), a Cayman

Islands Reporting FI is also required to gather information and report on the individuals that ultimately control or beneficially own such entities (i.e. “**controlling persons**”)¹.

“**Financial Institution**” is a broad concept covering "Custodial Institutions", "Depository Institutions", "Specified Insurance Companies" and "Investment Entities". The Amending Regulations expand these definitions to align with new financial technologies. For instance, a "Depository Institution" now includes an entity that holds Specified Electronic Money Products or Central Bank Digital Currencies for customers, and an "Investment Entity" includes an entity that trade in "Relevant Crypto-Assets". This latter category includes entities whose income is primarily attributable to (re)investing or trading in financial assets if the relevant entity is "managed by" another Financial Institution (a "**Managed Investment Entity**"). “Financial Assets” has also been amended to contemplate “Crypto-Assets”, a definition of which has been included in the Amending Regulations.

Cayman Islands entities should determine their CRS classification carefully, as some organisations unaffected by FATCA may be required to comply with the CRS.

The overall identification and reporting process under the CRS is therefore similar to that under FATCA. However, there are some key differences. In particular:

- **The CRS is based on tax residency.** The CRS is based on tax residency rather than citizenship, to reflect the fact that the US is unusual in taxing its citizens on a world-wide basis.
- **More Cayman Islands entities are treated as Cayman Islands Reporting FIs under the CRS.** The narrower scope of exemptions under CRS is expected to result in a greater number of Cayman Islands entities being treated as Cayman Islands Reporting FIs than under FATCA.
- **The volume of reportable data for Cayman Islands Reporting FIs increased under the CRS.** Prior to the introduction of the CRS, the impact of FATCA on entities with little or no nexus with the US or UK may have been relatively light. However, due to the number of participating jurisdictions under the CRS, for many Cayman Islands Reporting FIs, the CRS resulted in an increased compliance burden requiring preparation and management.
- **The thresholds for *de minimis* Financial Accounts are significantly reduced under the CRS, compared to FATCA.** Cayman Islands Reporting FIs may be able to leverage information obtained under existing AML/CDD procedures in the case of pre-existing accounts (those in existence as at 31 December 2015). Pre-existing entity accounts with an aggregate balance of US\$250,000 or less are exempted as *de minimis* – although if that threshold is exceeded in future years, the account will become reportable. For new accounts (for individuals or entities), there are no *de minimis* thresholds, so every new entity or individual account opened on or after 1 January 2016 will require self-certification to be obtained (and validated against the Cayman Islands Reporting FI’s records).

¹ The threshold for a “controlling person” in respect of a legal person is direct or indirect ownership or control of 10% or more of the shares or voting rights in the legal person as specified in the Anti-Money Laundering Regulations.

- **The CRS does not impose withholding tax.** Unlike FATCA, which imposes a 30% withholding tax on US-source income and other US-related payments made to or by a non-participating foreign financial institution in the event of non-compliance, the CRS does not impose a back-up withholding tax regime. Instead, penalties for non-compliance are specified under the TIA Act.
- In addition, the 2025 Amending Regulations introduce several key changes, including: an expanded scope of Financial Institutions and Financial Accounts to cover digital assets like crypto-assets and electronic money; a new requirement for Reporting FIs to file an annual CRS Compliance Form in addition to the CRS Return; revised deadlines for reporting; and enhanced requirements for self-certifications.

3. KEY DATES FOR CAYMAN ISLANDS REPORTING FIS AND NON-REPORTING FIS

Cayman Islands FIs (reporting and non-reporting) should complete their initial registration and notify the Tax Information Authority (the “TIA”) on or before **30 April** in the year following the year that the entity became a Cayman Islands FI.

Starting in 2026 however, entities becoming Cayman Islands FIs in the same year must register with the TIA by 31 January 2027.

Cayman Islands Reporting FIs must complete their annual CRS reporting by 30 June in each year starting with the 2026 reporting year, which consists of filing: (i) a CRS Return for each Reportable Account (or a nil return); and (ii) a new CRS Compliance Form. Both filings must be made via the Department for International Tax Cooperation (“DITC”) Portal (the “DITC Portal”). It should be noted that the TIA is responsible for financial services and that delegated functions of the TIA are carried out by the DITC.

The filing deadline for the CRS Return and CRS Compliance Form for the 2025 reporting year remains 31 July 2026 and 15 September 2026 respectively.

4. WHAT STEPS DO CAYMAN ISLANDS REPORTING FIS NEED TO TAKE?

All Cayman companies, partnerships and trusts and their directors or equivalent fiduciaries must ensure that correct CRS and FATCA classifications have been made. It should be noted that the DITC will match CRS and FATCA notification data against other data sources such as economic substance notifications, Cayman licenses/registrations, General Registry notices of business classifications and the IRS GIIN registration list.

Cayman Islands Reporting FIs are required to establish, implement and maintain written policies and procedures to comply with and apply the CRS². These procedures must ensure that valid self-certifications are collected and that records are kept for at least six years. Cayman Islands Reporting FIs will need to adapt their onboarding procedures for new investors in order to capture the requisite information that needs to be reported in order to be compliant with the CRS³.

² See Regulation 7.

³ Due diligence procedures should capture the tax residency of account holders – so for instance, new account holders may be provided with self-certification forms; and, in the case of funds and other collective investment vehicles, for example, the constitutional documents,

The Amending Regulations introduce specific criteria for a self-certification to be considered "valid". For new accounts, a valid self-certification must be collected on or before the date the Financial Account is opened. Cayman Islands Reporting FIs should have all new and existing clients complete self-certification forms that meet these enhanced requirements.

5. WHAT INFORMATION IS REQUIRED FOR TIA REGISTRATION?

A Cayman Islands FI, being either a Cayman Islands Reporting FI or a Non-Reporting FI, is required to register with the TIA by providing certain information. For entities which became Cayman Islands FIs in 2026 and beyond, the deadline for this registration is 31 January in the year following the calendar year in which the entity became a Cayman Islands FI. Changes to this information must be submitted on a "change form" to the TIA within 30 days. Every Cayman Islands FI must provide the following information:

- (a) The institution's name and its general registry identifying number;
- (b) GIIN (if applicable);
- (c) Whether the institution is a Reporting FI or a Non-Reporting FI and its specific classification under the CRS;
- (d) The full name, address, position (if applicable) and contact details of a person in the Cayman Islands that the institution has authorised to be its Cayman Islands principal point of contact ("**PPoC**") for compliance purposes;
- (e) A person the institution has authorised to give change notices for its PPoC (the authorising person "**AP**"); and
- (f) A Letter of Authorisation (unless the FI has an institutional user as its AP or PPoC).

The Cayman Islands FI must notify the TIA of any change to the information provided within 30 days of the change occurring.

The Amending Regulations require the appointed PPoC of a Cayman Islands FI to be located in the Cayman Islands. Existing Cayman Islands FIs⁴ who do not have a Cayman-based PPoC will have until 31 January 2027 to appoint a PPoC based in the Cayman Islands and file such change with the TIA.

6. WHAT INFORMATION NEEDS TO BE REPORTED TO THE TIA?

On or before **30 June**⁵ in each year, a Cayman Islands Reporting FI will be required to report the following information to the TIA via the DITC Portal in respect of each "Reportable Account":

- (a) The name, address, jurisdiction(s) of tax residence, tax identification number(s) ("**TINs**"), and date and place of birth of each Account Holder that is a "Reportable Person" (and for

offering documents and subscription documents may be updated to incorporate the CRS requirements to obtain self-certification and generally to ensure that the relevant entity is able to comply with the CRS.

⁴ I.e. those registered with the TIA prior to 1 January 2026.

⁵ Subject to any extensions granted by the TIA.

any entity Account Holder, details of each of its Controlling Persons including their role(s)). The report must also state whether a valid self-certification has been obtained;

- (b) Account number (or functional equivalent), the account type (e.g. Pre-existing or New Account) and whether it is a joint account, including the number of joint account holders if applicable;
- (c) The role(s) of Equity Interest holders in the case of any Equity Interest held in an Investment Entity that is a legal arrangement;
- (d) Name and identifying number (if any) of the Cayman Islands Reporting FI; and
- (e) Certain financial information (e.g. account balance or value and certain gross amounts paid or credited to the account during the relevant reporting period).

7. REPORTING INFORMATION

The requisite reporting by Cayman Islands Reporting FIs, as is the case with FATCA, is done by Cayman Islands Reporting FIs through the Cayman Islands DITC Portal. Information provided by a Cayman Islands Reporting FI to the TIA via the DITC Portal is exchanged automatically by the TIA with the relevant tax authorities in each participating jurisdiction. The TIA is required to publish periodically a list of jurisdictions to be treated as participating jurisdictions for the purposes of the CRS. All information exchanged is required to be subject to confidentiality and other data safeguards.

8. OFFENCES

In the event that the TIA Act and Regulations are contravened, Cayman Islands FIs and their directors or equivalent fiduciaries risk committing various offences with significant penalties. For example, a person commits an offence if they make a false self-certification.

Further, a Cayman Islands FI commits an offence if it provides the TIA with information that is inaccurate (which is defined as incomplete, incorrect or unreliable) and the act was done intentionally to cause a contravention of the TIA Act. The requirement for the information to be "materially" inaccurate has been removed.

Under the Amending Regulations, the TIA may impose a penalty without providing a breach notice in the event a Cayman Islands FI does not submit its CRS Return and CRS Compliance Form by the deadline.

If a Cayman Islands FI commits an offence, all directors, managers and secretaries and other similar officers to any such office whatever called, are also guilty of the offence.

When deciding whether to impose a penalty or an amount of a fine, the TIA is required to consider the following criteria in the following order of importance:

- (a) The need to ensure strict compliance with, and to penalize and deter contravention of, the Regulations;
- (b) The nature, seriousness and consequences of the contravention;

- (c) The apparent degree of the party's inadvertence, intent or negligence in committing the contravention;
- (d) The party's conduct after becoming aware of the contravention; and
- (e) The party's history of compliance.

Further, the TIA may also consider other matters as it considers relevant.

The TIA has issued detailed enforcement guidelines (Version 1.4 dated March 2023) which provide guiding principles for the application of the administrative penalty regime to persons that are potentially subject to enforcement action.

9. CRYPTO-ASSET REPORTING REGIME

9.1. Crypto-Asset Reporting Framework: Key Features and Client Obligations

The Cayman Islands has implemented the OECD's Crypto-Asset Reporting Framework (CARF) by way of the Tax Information Authority (International Tax Compliance) (Crypto-Asset Reporting Framework) Regulations, 2025, which came into force on 1 January 2026. The Regulations incorporate the OECD CARF and provide the domestic legal basis for automatic exchange of information on crypto-asset transactions.

9.2. Scope

The CARF applies to any Cayman Reporting Crypto-Asset Service Provider (RCASP), which covers any individual or entity that, as a business, provides a service effectuating exchange transactions or transfers for or on behalf of customers, including by acting as brokers, dealers or intermediaries, or by operating a trading platform or exchange. Provision of counterparty services or operating crypto ATMs are relevant activities of RCASPs for CARF.

RCASPs are in scope where they are resident in the Cayman Islands, meaning they are incorporated, registered or established, managed from, or regulated in, the Cayman Islands. Also included are or non-resident providers with Cayman branches. The framework covers "Relevant Crypto-Assets," being any crypto-asset other than central bank digital currencies and Specified Electronic Money Products, or other crypto-assets adequately determined as not usable for payment or investment purposes. "Relevant Transactions" comprise exchanges between Relevant Crypto-Assets and fiat currencies, exchanges between one or more forms of Relevant Crypto-Assets, and Transfers of Relevant Crypto-assets, including certain retail payment transactions (those exceeding a value of US\$50,000).

9.3. Core obligations for Cayman RCASPs

Cayman RCASPs must establish and maintain written policies and procedures to comply with CARF reporting and due diligence requirements, implement those policies and procedures, and retain records of the steps taken and evidence relied upon to perform the same. RCASPs must submit an annual return, or a nil return if no reportable users or controlling persons are identified in any reportable jurisdiction and must advise the TIA if reporting has been undertaken in a partner jurisdiction. Returns must be filed via the TIA's electronic portal.

9.4. Due diligence and self-certifications

RCASPs must obtain valid self-certifications from pre-existing individual and entity crypto-asset users within 12 months of commencement, and upon relationship establishment for new users thereafter, confirming tax residence and other prescribed data, with reasonableness checks against KYC/AML information. A self-certification is valid only if signed or otherwise positively affirmed, dated and containing specified mandatory information. RCASPs must monitor for changes in circumstances and refresh or validate self-certifications where prior certifications become incorrect or unreliable. CARF permits reliance on CRS due diligence already performed by entities that are also financial institutions under the CRS, provided CARF's validity requirements are met.

9.5. Registration and ongoing notifications

An entity or individual that is a Cayman RCASP must register electronically with the TIA by 30 April 2026 (if it is in scope prior to the commencement of CARF), providing required information including the principal point of contact; subsequent changes must be notified within 30 days. RCASPs that first become in scope after commencement (1 January 2026) must register by 31 January following the year in which they became RCASPs, with the same 30-day change-notification requirement.

9.6. Reporting content and deadlines

For each calendar year, RCASPs must report prescribed identification information for reportable users and, where applicable, their controlling persons. They must also report, for Relevant Transactions on an aggregate basis by each type of Relevant Crypto-Asset. As set out in paragraph 9.2 above, "Relevant Transactions" include exchanges between Relevant Crypto-Assets and fiat currencies, exchange between one or more forms of Relevant Crypto-Assets and transfer of Relevant Crypto-Assets). Transfers are sub-categorised by transfer type. Annual CARF returns (including nil returns where applicable) are due by 30 June of the year following the relevant calendar year, including a declaration that the information is adequate, accurate and current, and must be submitted via the TIA's electronic portal.

9.7. Record-keeping, monitoring and cooperation with the TIA

RCASPs must retain books, documents and electronic records relevant to CARF reporting for not less than six years and must provide or make available information the TIA reasonably requires to verify compliance. The TIA will publish a list of partner and reportable jurisdictions once a year. CARF Regulations anti-avoidance provisions deem arrangements with a main purpose of avoiding CARF obligations as never having been entered into.

9.8. Enforcement, offences and penalties

Offences under CARF include providing a false self-certification (irrespective of where it was made or whether the person knew of the falsity), a RCASP contravening Part 2 obligations of the CARF Regulations (e.g., registration, due diligence, reporting) and hindering the TIA's performance. Where an entity commits an offence, directors, managers, partners, trustees and de facto decision-makers may also be personally liable unless they can prove reasonable diligence. Penalties under the CARF

Regulations also include fines and daily defunct penalties in the case of continued non-compliance, following a breach-notice and penalty-notice process and with rights of appeal and automatic stays.

9.9. CARF and CRS

Both the CARF and CRS regimes formalise the TIA's expectations around "adequate, accurate and current" information, strengthen self-certification validity standards, and codify efficient electronic-portal filing presumptions. They also clarify monitoring powers, record-keeping duties and evidentiary shortcuts to support effective supervision and enforcement. Convergence points between CRS and CARF include reliance, where permitted, on AML/KYC procedures aligned with FATF standards, explicit treatment of Controlling Persons, structured transitional relief, and safe but robust penalty architecture. Importantly, the CRS Amending Regulations confirm that Cayman Reporting FIs need not duplicate reporting of gross proceeds from sales or redemptions of Financial Assets to the extent such amounts are reported under CARF, avoiding double-reporting.

9.10. Practical steps for clients and interaction with CRS

Clients operating crypto-asset businesses that could be RCASPs should promptly classify their activities against the CARF definition of RCASP and the nexus rules, map in-scope Relevant Crypto-Assets and transactions and align onboarding to collect CARF-valid self-certifications within the required timelines. Existing CRS financial institutions may leverage CRS due diligence outcomes for CARF, provided CARF's validity and data-content requirements are satisfied and records are retained for the longer of the applicable periods.

Clients should register by the applicable deadline, set their reporting calendar to meet the 30 June annual filing date (including nil returns where required) and maintain governance, systems and controls to withstand TIA monitoring and evidentiary requests. Finally, clients should track the TIA's annual lists of partner and reportable jurisdictions and any guidelines issued, as these determine cross-border reporting flows under CARF.

10. FURTHER GUIDANCE

For further guidance please contact your usual Conyers contact.

This publication should not be construed as legal advice and is not intended to be relied upon in relation to any specific matter. It deals in broad terms only and is intended merely to provide a brief overview and give general information.

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