STATES OF JERSEY

DRAFT TAXATION (INTERNATIONAL TAX COMPLIANCE) (CRYPTO-ASSET REPORTING FRAMEWORK) (JERSEY) REGULATIONS 202-

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Lodged au Greffe on 29th October 2025
by the Minister for External Relations
Earliest date for debate: 20th January 2026

STATES GREFFE

REPORT

Background

Jersey has long been committed to the implementation of global standards in tax transparency and the automatic exchange of tax information.

The Organisation for Economic Co-operation and Development

In November 2024, Jersey signed two international agreements under the framework of the OECD's Multilateral Convention on Mutual Admi(OECD) established the Common Reporting Standard (CRS) in 2014 as a global minimum standard to facilitate the exchange of financial account information between jurisdictions. Jersey was among the first group of jurisdictions to implement the CRS, with information exchanges commencing in 2017, Administrative Assistance in Tax Matters (MAAC): the Common Reporting Standard Addendum (CRS Addendum) to the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Financial Account Information, and the MCAA on the new Crypto-Asset Reporting Framework (CARF). As at the date of this report, 59 jurisdictions have signed the CRS Addendum and 52 jurisdictions have signed the CARF MCAA, including Guernsey, the Isle of Man, and the United Kingdom.

The CRS Addendum represents the first comprehensive update to the CRS since its inception. It expands the scope of the CRS to cover new financial products, entities, and certain virtual asset service providers, as well as enhancing due diligence and reporting obligations.

The CARF establishes a new global minimum standard for transparency in crypto-asset transactions, addressing challenges posed by crypto-assets to existing tax transparency frameworks. Jersey was identified as a jurisdiction of immediate relevance to CARF and committed politically to its implementation by 2026, ahead of the signing ceremony of the CRS Addendum to the MCAA and the CARF MCAA in November 2024.

These Regulations seek to implement the CARF and CRS Addendum domestically, ensuring that Jersey's legislation remains fully compliant with international standards ahead of the first reporting period commencing on 1 January 2026.

Detail

The draft Regulations are intended to achieve the following:

- Implement the CARF, requiring Reporting Crypto-Asset Service Providers (RCASPs) to undertake due diligence, collect client and transaction information, and report annually on relevant crypto-asset exchanges and transfers.
- Incorporate the amendments under the CRS Addendum, expanding the scope of the CRS to bring additional financial institutions, including certain virtual asset service providers and investment entities, within the reporting and due diligence regime.
- Align the administrative procedures across CARF and CRS, including aligned reporting deadlines and enforcement powers.
- Establish a mechanism to avoid duplicative reporting, allowing financial institutions to only report under the CARF if certain types of information would otherwise also be reportable under CRS, subject to notification being provided to Revenue Jersey.

Implementation of CARF

The CARF establishes a robust global minimum standard for tax transparency in respect of crypto-asset transactions. Under the CARF, Reporting Crypto-Asset Service Providers

(RCASPs), defined as any individual, entity, or arrangement that effectuates or facilitates crypto-asset exchanges, are required to undertake due diligence on their clients. This includes the collection and verification of key identifying information such as jurisdiction(s) of tax residence and tax identification numbers (TINs) from all crypto-asset users engaging in transactions.

RCASPs must report annually to Revenue Jersey detailed information concerning their clients' transactions in relevant crypto-assets. The categories of reportable transactions include:

- Exchanges between different crypto-assets;
- Exchanges between crypto-assets and fiat currency (and vice versa);
- Transfers of crypto-assets, including to un-hosted wallets;
- Certain payments made in crypto-assets.

To ensure data integrity and privacy, appropriate safeguards around data security and confidentiality will be implemented and strictly adhered to.

The information collected under CARF will be exchanged on an automatic basis with partner jurisdictions in which the taxpayers are resident, allowing revenue authorities to better detect and address tax non-compliance related to crypto-assets.

Certain categories of digital assets, including Central Bank Digital Currencies (CBDCs) and specified electronic money products that do not function as payment or investment assets, are expressly excluded from reporting under the CARF, although they may fall within the scope of the amended CRS.

The first reporting period under CARF will commence for transactions occurring from 1 January 2026, with the initial exchanges between jurisdictions scheduled to take place in 2027.

Amendments under the CRS Addendum

The CRS Addendum updates the CRS to capture new financial assets and providers, reflecting market developments and ensuring reporting is comprehensive, while avoiding duplication with CARF where possible. New due diligence and reporting requirements include enhanced identification of account holders, reporting of additional information, and revised definitions of financial institutions and accounts. The CRS Addendum constitutes the first major update to the CRS since its introduction, reflecting significant developments in the financial sector, particularly the emergence of virtual asset service providers and new financial products.

Key amendments include:

- Broadening the definition of financial institutions to capture additional service providers, including certain virtual asset service providers and investment entities investing primarily in crypto-assets, which were previously outside the scope of the CRS.
- Financial institutions are required to apply strengthened due diligence procedures, including the collection of more detailed taxpayer information and the reclassification of certain accounts, to improve the accuracy and completeness of reporting.
- Additional data fields and reporting categories, enhancing transparency over financial accounts and investments, and supporting better enforcement and compliance efforts.
- A new category of Non-Reporting Financial Institution has been introduced in respect of certain genuine non-profit organisations, and the group of financial accounts which are excluded from reporting has been extended to include Capital Contribution Accounts, thereby reducing the compliance burden where risk is deemed low.

The revised CRS provisions will be implemented domestically through amendments to Jersey's existing CRS Regulations, with reporting obligations taking effect for the 2026 calendar year and onwards.

Consistent and Streamlined Administrative Procedures

To ensure efficient and effective implementation, the CARF Regulations have been designed to mirror the CRS Regulations as far as possible. This includes:

- Aligned reporting deadlines - CARF reporting will follow the same annual cycle as the CRS, with RCASPs required to submit returns to Revenue Jersey by 30 June in respect of the preceding calendar year, in the same way as for the CRS.
- Unified enforcement powers – the enforcement provisions included in the CARF Regulations, including access to documents, compliance checks, and penalty regimes, are applied consistently across both CARF and CRS, providing clarity and reducing complexity for reporting entities and Revenue Jersey alike.

This streamlined approach facilitates compliance by minimising duplication of effort and supports Jersey's reputation as a cooperative and transparent jurisdiction in international tax matters.

Avoidance of Duplicative Reporting

Given that certain crypto-asset transactions may be reportable under both the CARF and the CRS frameworks, the Regulations introduce a mechanism to avoid duplicative reporting and unnecessary administrative burden.

Financial institutions and RCASPs will be able to notify Revenue Jersey if information they report under the CARF covers data that would otherwise fall within the scope of CRS reporting. Once this notification is accepted, those institutions will not be required to duplicate the same information under the CRS until they choose to withdraw the notification.

This mechanism aligns with OECD guidance, enhances reporting efficiency, and reduces the compliance costs for entities operating across both regimes.

Financial and staffing implications

The implementation of CARF and the CRS Addendum is expected to be managed through existing resources within Revenue Jersey. No new financial or staffing implications arise from these Regulations.

Children's Rights Impact Assessment

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.

EXPLANATORY NOTE

These Regulations, if approved, will allow for the implementation of the Organisation for Economic Co-operation and Development's Crypto-Asset Reporting Framework (the "CARF") into Jersey law.

Regulation 1 is an interpretation provision. Some terms used in the Regulations are defined in the CARF and these are listed in the Schedule to the Regulations.

Regulation 2 requires a reporting crypto-asset service provider (defined in the CARF) to comply with the due diligence obligations in the CARF.

Regulation 3 sets out when a reporting crypto-asset service provider is not required to comply with the due diligence obligations (because they are complied with by the service provider or its branch in a partner jurisdiction) and the process for notifying the Comptroller of Revenue of this.

Regulation 4 requires a reporting crypto-asset service provider to keep records for at least 5 years.

Regulation 5 requires a reporting crypto-asset service provider to deliver an information return to the Comptroller.

Regulations 6 and 7 impose penalties for failing to comply with the Regulations. *Regulation 6* provides that a person who fails to comply with an obligation in the Regulations is liable to a penalty of up to £300 for each failure and *Regulation 7* allows for a further penalty of up to £60 to be imposed for each subsequent day on which the failure continues.

Regulation 8 imposes a penalty of up to £3,000 for the provision of inaccurate information that is deliberate or that the person knows of but does not inform the Comptroller about.

Regulation 9 provides that a liability to a penalty under Regulation 6 or 7 does not arise if there was a reasonable excuse for the failure. It also sets out what does not constitute a reasonable excuse.

Regulation 10 makes provision for the imposition of the penalties under Regulations 6 to 8 by the Comptroller.

Regulation 11 provides a right of appeal.

Regulation 12 allows the Comptroller to apply to the Commission for the imposition of an increased daily default penalty if a failure continues after a daily default penalty is imposed under Regulation 7. The increased penalty must not exceed £1,000 a day.

Regulation 13 sets out when a penalty must be paid by and allows enforcement of a penalty as if it were income tax.

Regulation 14 sets out how the Regulations apply to trusts and partnerships.

Regulation 15 is an anti-avoidance provision and provides that an arrangement entered into for the purpose of avoiding a requirement of the Regulations is taken not to have been entered into and the Regulations apply regardless.

Regulation 16 allows an authorised person (as defined in Regulation 1) to enter business premises and examine business documents. *Regulation 17* provides that is a person who obstructs an authorised person or who fails to provide reasonable assistance to an authorised person commits an offence and is liable to imprisonment for a term of up to 6 months, an unlimited fine, or both. Regulation 17 also provides that a person who intentionally alters, suppresses or destroys certain business documents commits an offence and is liable to imprisonment for a term of up to 2 years, an unlimited fine, or both.

Regulation 18 sets out the name of the Regulations and provides that they come into force on 1 January 2026.

Jersey

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Jersey

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Made	*[date to be inserted]*
Coming into force	*[date to be inserted]*

THE STATES make these Regulations under Article 2 of the Taxation (Implementation) (Jersey) Law 2004 –

1 Interpretation

(1) In these Regulations –

"1961 Law" means the Income Tax (Jersey) Law 1961;

"authorised person" means the Comptroller or a person authorised by the Comptroller to perform functions under Regulation 16;

"business document" means –

(a) a document that relates to the carrying on of a business, trade, profession or vocation by a person and that forms part of a record under an enactment; or

(b) in the case of an entity or arrangement that does not carry on a business, trade, profession or vocation, a document that an authorised person believes to be relevant, or potentially relevant, to determining the compliance of the entity or arrangement with these Regulations;

"CARF" means the Crypto-Asset Reporting Framework, consisting of the Rules and the Commentary, approved by the Organisation for Economic Co-operation and Development on 8 June 2023, which contains due diligence and reporting procedures for the exchange of information on an automatic basis, as amended from time to time;

"Commissioners" means a Commission of Appeal constituted under Article 5 of the Revenue Administration (Jersey) Law 2019);

"Comptroller" means the Comptroller of Revenue described in Article 2 of the Revenue Administration (Jersey) Law 2019.

(2) These Regulations have effect for and in connection with the implementation Jersey's obligations arising under –

(a) the Multilateral Competent Authority Agreement on Automatic Exchange of Information pursuant to the Crypto-Asset Reporting Framework signed by Jersey on 26 November 2024;

(b) the Convention on Mutual Administrative Assistance in Tax Matters, as amended by the Protocol, which provides for the exchange of information on an automatic basis as described in the CARF, signed on behalf of the United Kingdom and extended to Jersey with effect from 1 June 2014; and

(c) any other international governmental agreement to which Jersey and another participating jurisdiction is a party and that provides for the automatic exchange of information under the CARF.

(3) Terms used in these Regulations that are defined in the CARF (and are not defined differently in these Regulations) have the meaning given in the CARF.

(4) The Schedule contains a list of terms used in these Regulations that are defined in the CARF.

2 Due diligence

(1) A reporting crypto-asset service provider that meets the criteria in Section I of the CARF must comply with the due diligence obligations under this Regulation and Sections II and III of the CARF.

(2) A reporting crypto-asset service provider must establish and maintain arrangements designed to apply the due diligence procedures set out in Section III of the CARF.

3 Circumstances in which reporting crypto-asset service provider not required to comply with due diligence obligations

(1) A reporting crypto-asset service provider is not required to comply with the due diligence obligations in Regulation 2 if the requirements are fulfilled by the crypto-asset service provider or its branch in a partner jurisdiction in accordance with the criteria set out in Section I of the CARF.

(2) If a reporting crypto-asset provider is not required to complete the due diligence requirements, it must notify the Comptroller indicating –

(a) in which partner jurisdiction the obligations are fulfilled; and

(b) which criteria in Section I of the CARF applies.

(3) The notification must be made –

(a) on or before 30 June following the calendar year to which it relates; and

(b) in the form and manner required by the Comptroller.

(4) In this Regulation, “partner jurisdiction" means a jurisdiction –

(a) that has put in place equivalent obligations to the due diligence obligations in Regulation 2;

(b) that is identified as a partner jurisdiction in a list published by the Comptroller.

4 Record-keeping

(1) A reporting crypto-asset service provider must keep a record of –

(a) the steps taken to comply with Regulation 2; and

(b) the information collected in applying the due diligence procedures set out in Section III of the CARF.

(2) The reporting crypto-asset service provider must keep the records required by paragraph (1) for a period of 5 years beginning with the day after the end of the calendar year to which they relate.

5 Reporting of information

(1) A reporting crypto-asset service provider must deliver to the Comptroller an information return in respect of each calendar year containing information in respect of all the crypto-asset users with which it maintains a relationship in the calendar year that are –

(a) identified as reportable users; or

(b) identified as having controlling persons that are reportable persons.

(2) The information return must be provided in the manner and form specified by the Comptroller and must –

(a) contain the information set out in Section II of the CARF;

(b) contain any other information reasonably required by the Comptroller; and

(c) be delivered on or before 30 June following the calendar year to which it relates.

6 Penalty for failure to comply with Regulations

A person who fails to comply with an obligation of these Regulations is liable to a penalty of up to £300 in respect of each failure.

7 Daily default penalty

(1) This Regulation applies if –

(a) a penalty under Regulation 6 is imposed; and

(b) the failure in question continues after the person has been notified of the penalty.

(2) If this Regulation applies, the person is liable to a further penalty, for each subsequent day on which the failure continues, of an amount not exceeding £60 for each day.

8 Penalties for inaccurate information

(1) A person is liable to a penalty not exceeding £3,000 if –

(a) the person provides inaccurate information in an information return delivered under Regulation 5; and

(b) condition A, B or C is met.

(2) Condition A is that the inaccuracy is –

(a) due to a failure to comply with the due diligence requirements in Regulation 2; or

(b) deliberate on the part of the person.

(3) Condition B is that the person knows of the inaccuracy at the time the information is provided but does not inform the Comptroller at that time.

(4) Condition C is that the person –

(a) discovers the inaccuracy after the information is provided to the Comptroller; and

(b) fails to take reasonable steps to inform the Comptroller.

9 Matters to be disregarded in relation to liability to penalties

(1) Liability to a penalty under Regulation 6 or 7 does not arise if the person has a reasonable excuse for the failure.

(2) For the purposes of this Regulation, neither of the following is a reasonable excuse –

(a) that the person has insufficient funds to do something;

(b) that a person relies upon another person to do something.

(3) If a person had a reasonable excuse for a failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse has ceased.

10 Imposition of penalties

(1) If a person becomes liable to a penalty under any of Regulations 6 to 8 the Comptroller may impose the penalty.

(2) If the Comptroller imposes a penalty, the Comptroller must notify the person.

(3) A penalty under Regulation 6 or 7 may only be imposed within the period of 12 months beginning with the date on which the person became liable to the penalty.

(4) A penalty under Regulation 8 may only be imposed –

(a) within the period of 12 months beginning with the date on which the inaccuracy first came to the attention of the Comptroller; and

(b) within the period of 6 years beginning with the date on which the person became liable to the penalty.

11 Right of appeal against penalties

(1) A person upon whom a penalty is imposed may appeal to the Commissioners against the imposition or the amount of the penalty by giving notice in writing to the Comptroller within 30 days after receiving notification of the imposition of the penalty.

(2) Part 6 of the 1961 Law applies, with the necessary modifications, to an appeal under paragraph (1) as if it were an appeal against an assessment made under that Law.

12 Increased daily default penalty

(1) This Regulation applies if –

(a) a daily default penalty under Regulation 7 is imposed under Regulation 10;

(b) the failure in respect of which that penalty is imposed continues for more than 30 days beginning with the date on which notification of that penalty is given; and

(c) the person has been notified in writing that an application may be made under this Regulation for an increased daily penalty to be imposed.

(2) If this Regulation applies, the Comptroller may make an application to the Commissioners for an increased daily penalty to be imposed on the person.

(3) If the Commissioners decide that an increased daily penalty should be imposed then, for each applicable day on which the failure continues –

(a) the person is not liable to a penalty under Regulation 7 in respect of the failure; and

(b) the person is liable instead to a penalty under this Regulation of an amount determined by the Commissioners.

(4) The Commissioners must not determine an amount exceeding £1,000 for each applicable day.

(5) If a person becomes liable to a penalty under this Regulation, the Comptroller must notify the person.

(6) The notification must specify the day from which the increased penalty is to apply.

(7) That day and any subsequent day is an "applicable day" for the purposes of this Regulation.

13 Enforcement of penalties

(1) A penalty under these Regulations must be paid before the end of the period of 30 days beginning with the later of –

(a) the date on which the penalty is imposed under Regulation 10 or notification under Regulation 12(5) is given in respect of the penalty; or

(b) if the penalty is appealed under Regulation 11, the date on which the appeal is finally determined or withdrawn.

(2) A penalty under these Regulations may be enforced as if it were income tax charged in an assessment and due and payable.

14 Requirements and penalties for trusts and partnerships

(1) If a requirement or penalty under these Regulations applies to a trust or partnership, the requirement or penalty applies to –

(a) in the case of a trust, each trustee, jointly and severally;

(b) in the case of a partnership, the partner identified as the responsible partner under Article 20E of the 1961 Law.

(2) These Regulations do not prevent a penalty imposed on a trust or partnership from being recovered from the assets of the trust or partnership.

15 Anti-avoidance

(1) This Regulation applies if a person enters into an arrangement and the main purpose, or 1 of the main purposes, of the person entering into the arrangement is to avoid any requirement of these Regulations.

(2) If this Regulation applies –

(a) for the purposes of these Regulations the arrangement is taken not to have been entered into; and

(b) these Regulations have effect as if the arrangement had not been entered into.

16 Power to enter business premises and examine business documents

(1) An authorised person may examine and take copies of any business document that is located on business premises.

(2) The power under paragraph (1) may be exercised only for the purpose of investigating an issue relating to compliance with these Regulations.

(3) An authorised person may at any reasonable hour enter business premises for the purpose of exercising the power under paragraph (1).

(4) An authorised person may by notice require any person to produce a specified business document at the business premises where the business document is located for the purpose of enabling the authorised person to exercise the power under paragraph (1) in relation to that document.

(5) An authorised person must not exercise the powers under this Regulation in respect of a document that a person would, in an action in court, be entitled to refuse to disclose or produce on the grounds of legal professional privilege.

(6) In this Regulation, "business premises" means –

(a) premises used in connection with the carrying on of a business, trade, profession or vocation; or

(b) in the case of an entity or arrangement that does not carry on a business, trade, profession or vocation, the address in Jersey –

(i) of the entity or arrangement; or

(ii) if the entity or arrangement is a trust, of a trustee.

17 Obstructing authorised person

(1) A person commits an offence and is liable to imprisonment for a term of 6 months and to a fine if, without reasonable excuse, the person –

(a) obstructs an authorised person in the exercise of the authorised person's powers under Regulation 16; or

(b) fails to provide reasonable assistance that an authorised person requires when the authorised person is exercising their powers under Regulation 16.

(2) A person commits an offence and is liable to imprisonment for a term of 2 years and to a fine if that person intentionally alters, suppresses or destroys any business document that has been specified in a notice under Regulation 16(4).

18 Citation and commencement

These Regulations may be cited as the Taxation (International Tax Compliance) (Crypto-Asset Reporting Framework) (Jersey) Regulations 202- and come into force on 1 January 2026.

SCHEDULE

(Article 1(4))

TERMS DEFINED IN THE CARF

Term	Reference in CARF
branch	Section IV.F(6)
controlling person	Section IV.D(10)
entity	Section IV.F(3)
reportable person	Section IV.D(7)
reportable user	Section IV.D(1)
reporting crypto-asset service provider	Section IV.B(1)