STATES OF JERSEY

JERSEY'S SIGNATURE OF THE ADDENDUM TO THE MULTILATERAL COMPETENT AUTHORITY AGREEMENT ON AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION ("CRS ADDENDUM")

Presented to the States on 17th July 2025
by the Minister for External Relations

STATES GREFFE

REPORT

This Report to the States Assembly provides an overview of the Addendum to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information, also known as the Common Reporting Standard ("CRS Addendum"), and its application to Jersey following signature of the Addendum.

Annexes

- **Annex I –** Addendum to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("CRS Addendum")

MINISTER FOR EXTERNAL RELATIONS

17th July 2025

EXECUTIVE SUMMARY

On 26 November 2024, Jersey signed the Common Reporting Standard Addendum ("CRS Addendum") to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("CRS MCAA"). As of 14 April 2025, 55 jurisdictions have signed the CRS Addendum, including Guernsey, the Isle of Man, and the United Kingdom.

The CRS MCAA, and the subsequent CRS Addendum are made under the framework of the OECD's Multilateral Convention on Mutual Administrative Assistance in Tax Matters ("MAAC"), which was extended to Jersey with effect from 2015. The CRS Addendum represents an enhancement to the existing global minimum standard on automatic exchange of financial account information under the CRS for tax purposes.

BACKGROUND

The Common Reporting Standard ("CRS") was established as a global minimum standard in tax transparency in 2014. Jersey was one of the earliest adopters of the standard, being among the first group of jurisdictions to commit to the regime and then to exchange information from 2017. This was in line with the Island's longstanding commitment to the implementation of global standards in transparency and the exchange of tax information.

The CRS is intended to allow greater transparency over taxpayers' investments. Participating jurisdictions are required to put in place legislation requiring financial institutions to undertake due diligence on their account holders and the controlling persons of their account holders, including collecting tax information numbers and details of their jurisdictions of tax residence.

It requires participating jurisdictions to gather information from financial institutions in their jurisdiction about non-resident account holders and their controlling persons and then share the information with the jurisdictions in which the account holder or controlling person is resident. The information shared is identity information of the account holder (including name, address, date of birth, jurisdiction(s) of tax residence and tax identification number(s)), information about the controlling persons of entity account holders, the financial institution reporting, the account number, the balance or value of the account on 31 December of the reportable year, and the amount of income paid or credited to the account by the financial institution (interest, dividends, distributions, gross proceeds from the sale or redemption of financial assets). Jersey financial institutions report to Revenue Jersey annually by 30 June in respect of the preceding calendar year. This information is then exchanged with the tax authorities of participating partner jurisdictions by 30 September annually. More than 100 jurisdictions have currently committed to implement the CRS.

In light of the experience gained by financial institutions and governments of implementing the CRS in practice, the OECD conducted a comprehensive review and determined that certain amendments were needed. The scope of the CRS has been expanded and modernised, bringing some entities within the scope of the CRS for the first time, alongside amendments to enhance the due diligence and reporting obligations.

This first comprehensive review of the CRS by the OECD has resulted in amendments to bring new financial assets, products and intermediaries within its scope, because they are potential alternatives to traditional financial products, while avoiding duplicative reporting with that foreseen in the OECD's new Crypto-Asset Reporting Framework ("CARF"). Additional amendments have also been made to enhance the reporting outcomes under the CRS, including through the introduction of more detailed reporting requirements and the strengthening of the due diligence procedures required to be performed by financial institutions on their customers. Other changes ease requirements for certain types of investments seen as lower risk, through the introduction of a new, optional category of Non-Reporting Financial Institutions for Investment Entities that are genuine non-profit organisations and the creation of a new Excluded Account category for Capital Contribution Accounts. In addition, further language has been added to the Commentary on the CRS in several areas to increase consistency in the application of the CRS and to incorporate previously released interpretative guidance.

EFFECTS OF THE CRS ADDENDUM

The CRS, as updated by the CRS Addendum, is a global minimum standard in tax transparency. Jersey is fully committed to the implementation of global standards in tax transparency, a longstanding policy that is a cornerstone of the Island's reputation as a cooperative and transparent jurisdiction. The impact of any change to Jersey's reputation though non-adoption of international standards would be potentially severe.

It is currently estimated that a small number of additional service providers will be brought within the scope of the CRS for the first time, either because of the changes in definitions or from the inclusion of certain types of virtual asset service providers in the scope of the CRS.

A further small number of funds and entities investing primarily in crypto-assets will be treated as financial institutions under the CRS for the first time, due to the reclassification of certain types of virtual assets as financial assets. These entities will have new reporting and due diligence obligations in line with those applied by those currently within scope of the CRS.

In addition, existing financial institutions will be required to put in place new systems and processes to collect and report the additional information which will be required to be reported from 2027 onwards.

It is expected that the implementation of the amended CRS will be done through existing resources.

CONSULTATION PROCESS

Government has been engaging with business sectors affected by the adoption of the amended CRS, including briefings to relevant industry representative organisations. A written briefing was provided to the Economic and International Affairs Scrutiny Panel in September 2024.

It will be necessary to implement legislation to give effect to the signature of the CRS Addendum. Revenue Jersey issued a public consultation in November 2024 which ran until 13 February 2025, which covers the domestic implementation of these changes.

It is then intended to consult on the draft legislation before lodging with the States Assembly.

NEXT STEPS

Subject to States Assembly approval of the amendments to the CRS Regulations, the amendments will come into force from 1 January 2026. Financial institutions will then be required to submit the first reports under the amended rules by 30 June 2027, after which the information would be exchanged with partner jurisdictions by the first global deadline for exchange of information under the amended CRS of 30 September 2027.

Bilateral competent authority agreements are also expected to be put in place with the UK and Crown Dependencies to allow the exchange of relevant information, in line with the original CRS MCAA.

Annex I – Addendum to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (“CRS Addendum”)

DECLARATION

I, Thomas F. Le Feuvre, Director of External Relations, on behalf of the Competent Authority of the Bailiwick of Jersey, declare that it hereby agrees to comply with the provisions of the

Addendum to the Multilateral Competent Authority Agreement 011
Automatic Exchange of Financial Account Information

hereafter referred to as the "Addendum" and attached to this Declaration.

By means of the present Declaration, the Competent Authority of the Bailiwick of Jersey is to be considered a signatory of the Addendum as from 26 November 2024. The Addendum will come into effect in respect of the Competent Authority of the Bailiwick of Jersey in accordance with paragraph I of Section 2 thereof.

Signed in Asuncion on 26 November 2024

OECD

Certified True Copy of Original

Date: 10/12/24

ADDENDUM TO THE MULTILATERAL COMPETENT AUTHORITY AGREEMENT ON AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

Whereas, the Competent Authorities are signatories to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the **"CRS MCAA");**

Whereas, the Competent Authorities intend to continuously improve international tax compliance by further building on their relationship with respect to mutual assistance in tax matters, as reflected in the existing automatic exchanges of information under the **CRS MCAA;**

Whereas, the CRS MCAA provides that the laws of the Jurisdictions would be amended from time to time to reflect updates to the Common Reporting Standard and, once such changes to the Common Reporting Standard are enacted by a Jurisdiction, the **CRS MCAA** would be deemed to refer to the updated version in respect of that Jurisdiction;

Whereas, the Common Reporting Standard has been updated in 2023 to amend its scope and enhance the reporting requirements and due diligence procedures;

Whereas, the present Addendum seeks to add certain information items to be exchanged under the CRS MCAA to reflect the additional reporting requirements introduced by the 2023 update to the Common Reporting Standard;

Now, therefore, the Competent Authorities have agreed as follows:

SECTION 1
Additions to the Information to be Exchanged with Respect to Reportable Accounts

Subject to the notification pursuant to subparagraph 2(a)(i) of Section 2 of this Addendum, the additional information to be exchanged pursuant to subparagraph 2 of Section 2 of the **CRS MCAA,** with respect to each Reportable Account of another Jurisdiction, is:

1. whether a valid self-certification has been provided for each Account Holder;
2. the role(s) by virtue of which each Reportable Person that is a Controlling Person of an Entity Account Holder is a Controlling Person of the Entity and whether a valid self-certification has been provided for each such Reportable Person;
3. the type of account, whether the account is a Preexisting Account or a New Account and whether the account is a joint account, including the number of joint Account Holders; and
4. in the case of any Equity Interest held in an Investment Entity that is a legal arrangement, the role(s) by virtue of which the Reportable Person is an Equity Interest holder.

ADDENDUM À L'ACCORD MULTILATERAL ENTRE AUTORITES COMPETENTES CONCERNANT L'ECHANGE AUTOMATIQUE DE RENSEIGNEMENTS RELATIFS AUX COMPTES FINANCIERS

Considerant que lcs Autorites competentes sont signataires de l'Accord multilateral entre autorites competentcs concernant l'echangc automatique de renseignements relatifs aux comptes financiers(« AMAC NCD »);

Considerant quc les Autorites competcntes ont l'intention d'ameliorer en permanence le respect des ohligations fiscalcs à l'echelle internationale en mettant à profit lcurs relations d'assistance mutuellc en maticre fiscale, comme en temoignent les echanges automatiques de renseigncments existants en vertu de l'AMAC NCD;

Considerant qu'aux termes de l'AMAC NCD la legislation des Juridictions devrait etre periodiquement modifiee afin de tcnir compte des mises à jour de la Norme commune de declaration, et qu'une fois ces modifications promulguecs par une Juridiction, l'AMAC NCO sera repute faire reference à la version misc i1jour pour cettc Juridiction;

Considerant quc la Normc commune de declaration a ete misc à jour en 2023 afin de modifier son champ d'application et de rcnforcer les obligations declaratives et les procedures de diligence raisonnable;

Considerant quc le present Addendum visc à ajoutcr certains renseigncmcnts au perimetre des echangcs scion l'AMAC NCO afin de tcnir compte des obligations declaratives supplementaires instaurees par la mise 1ljour 2023 de la Norme commune de declaration ;

Les Autorites competentes sont convcnues des dispositions suivantes :

SECTION 1
Ajouts aux renseignements a echanger concernant des Comptes declarables

Sous reserve de la notification prevue à l'alinea 2(a)(i) de la section 2 du present Addendum, les ajouts aux rcnseignements 11echanger en vertu de l'alinea 2 de la section 2 de l'AMAC NCO, concernant chaque Compte declarahlc d'une autre Juridiction, sont les suivants :

1. Preciser si unc auto-certification valahlc a ete fournie pour chaque Titulairc de compte ;
2. La ou lcs fonction(s) en vcrtu desquellcs chaque Pcrsonne devant faire l'objet d'une declaration qui est unc Pcrsonne detenant le controlc d''une Entite Titulaire de compte est une Personne detenant le controle de l'Entite, en precisant si une auto-certification valahlc a ete fournie pour cette Personne ;
3. Le type de compte, si le compte est un Compte preexistant ou un Nouveau compte et si le comptc est detenu conjointement, y compris le nombre de Titulaires de compte joint ; et
4. Oans le cas d'un Titre de participation dans une Entite d'investissement qui est une construction juridique, la/les fonctions en vertu desquelles la Personne devant faire l'objet d'une declaration est un detenteur de Titres de participation.

SECTION 2
General Terms

1. This Addendum will be in effect with respect to Competent Authorities that are also signatories to the Addendum. It will be an integral part of the CRS MCAA and the provisions of the CRS MCAA will be applied mutatis mutandis to this Addendum.

2. A Competent Authority must provide to the Co-ordinating Body Secretariat at the time of signature of this Addendum or as soon as possible thereafter:

   a) an updated notification pursuant to subparagraph 1(a) of Section 7 of the CRS MCAA:
      i) confirming that its Jurisdiction has the necessary laws in place to implement the 2023 update to the Common Reporting Standard and specifying the relevant effective dates with respect to Section I of this Addendum and the application or completion of the enhanced reporting and due diligence procedures, or any period of provisional application of this Addendum due to pending national legislative procedures (if any); or
      ii) indicating that its Jurisdiction does not yet have the necessary laws in place to implement the 2023 update to the Common Reporting Standard and, therefore, requesting consent to continue sending information without the application or completion of the enhanced reporting and due diligence procedures of the 2023 update to the Common Reporting Standard during a specified transitional period; and

   b) an updated notification pursuant to subparagraph 1(0 of Section 7 of the CRS MCAA, specifying the Jurisdictions of the Competent Authorities for which it accepts their request specified in the notification provided pursuant to subparagraph 2(a)(ii) of this Addendum.

Done in English and French, both texts being equally authentic.

SECTION 2
Conditions generales

I. Cet Addendum s·appliquera aux Autorites competcntcs qui sont egalement signataires de !''Addendum. II fera partie integrante de l' AMAC NCO et lcs dispositions de l' AMAC NCO s'appliqueront mutatis mutandis au present Addendum.

2. Une Autorite competente doit, au moment de la signature du present Addendum ou le plus tot possible par la suite, adresser au Secretariat de l''Organe de coordination :

a) Une notification mise à jour conformemcnt à l'alinea 1a) de la section 7 de l' AMAC NCO:
   i) Confirmant que sa Juridiction s'est dotec de la legislation necessaire pour mettre en reuvre la misc à jour 2023 de la Normc commune de declaration et precisant les dates d'effet pertinentes au regard de la section 1 du present Addendum et de !'application ou de l'achevement des procedures renforcecs de declaration et de diligence raisonnablc, ou toute periode d''application provisoire du present Addendum en raison de procedures legislatives nationales (evcntuelles) en cours ; ou
   ii) Indiquant que sa Juridiction ne s'est pas encore dotee de la legislation necessaire pour mettre en cruvrc la mise à jour 2023 de la Norme commune de declaration et dcmandant par consequent l'autorisation de pouvoir continuer à envoyer des renseignemcnts sans avoir à appliquer ou à achever les procedures rcnforcees de declaration et de diligence raisonnable prevucs par la misc a jour 2023 de la Normc commune de declaration pendant une periodc transitoirc determinec ; et

b) Unc notification misc tjour conformemcnt à l''alinea l(f) de la section 7 de l''AMAC NCO, precisant lcs Juridictions des Autorites competentes dont ellc acceptc lcs dcmandes soumises au moyen de la notification prevuc en vcrtu de l'alinea 2(a)(ii) du present Addendum.

Fait en fran ais et en anglais, les deux textcs faisant egalement foi.