Economic and International Affairs Scrutiny Panel
By email
7th November 2025

Dear Chair,

Amendments to the Common Reporting Standard Regulation and FATCA Regulations

Thank you for your letter dated 7th October in which you submitted various questions which you did not have time to ask during the public hearing in September. I replied to the majority of your questions on 14th October, but agreed with your panel officer that the answers to the questions relating to the Common Reporting Standard Regulation and FATCA Regulations would be provided at a later date. Please find the answers below.

1. Could you update the Panel on Amendments to the Common Reporting Standard Regulation (CRS) and Foreign Account Tax Compliance Act Regulations (FATCA)?
The Draft Taxation (International Tax Compliance) (Crypto-Asset Reporting Framework) (Jersey) Regulations 202- (P. 99/2025) and the Draft Taxation (Implementation) (International Tax Compliance) (Common Reporting Standard) (Jersey) Amendment Regulations 202- (P.100/2025) were lodged on 29 October 2025 and are scheduled for debate by the States Assembly during the sitting commencing 8 December 2025. Members of the Panel have been offered a briefing by officers on the contents. The draft Regulations comprise the minimum necessary to implement the CARF and amendments to the CRS into domestic law only.

2. Can you advise the Panel how the consultation on proposed changes to the Common Reporting Standard and Foreign Account Tax Compliance Act FATCA Regulations were engaged with and if any changes have resulted from it?
A public consultation exercise was run between November 2024 and February 2025. In addition, officers briefed relevant industry working groups, and have worked closely with a joint working group of Jersey Finance Limited and Revenue Jersey, the International Reporting Working Group, on the proposals. Finally, some of the input received during the course of the current wider competitiveness review related to aspects of the Automatic Exchange of Tax Information (AEOI) framework in Jersey; this has also been incorporated into the responses. Further consultation on the draft Regulations was undertaken before lodging.
Eleven responses were received in total to the original consultation. No respondent expressed concerns about the way in which it was proposed to implement the CARF and the OECD's amendments to the CRS into Jersey domestic law. As a result, the draft CARF Regulations and draft CRS Amending Regulations have been prepared on that basis.
Those respondents who replied on that point were all supportive of the proposals to incorporate optional elements of the amended CRS into Jersey law, and the draft CRS Amending Regulations therefore reflect this.
Respondents were more mixed regarding the proposals to introduce a mandatory registration and nil return obligation; as a result, it has been decided not to proceed with this aspect.

The majority of responses received related to proposals to amend and align the penalty provisions across all three AEOI Regulations (CARF, CRS and FATCA). Given the importance of transparency in this area, these amendments are not included in the Draft CARF Regulations or Draft CRS Amending Regulations, but will be the subject of a separate 12 week consultation exercise. The consultation on draft amending regulations is expected to be published in December 2025, with the intention for States debate in autumn 2026. As a result, the penalty framework included in the draft CARF Regulations at present mirrors that in the current CRS Regulations.

3. In the Consultation on proposed changes to the Common Reporting Standard and Foreign Account Tax Compliance Act Regulations it referenced "Amending the powers of Revenue Jersey to access premises and review documents". Can you provide more details on this?
Amendments to Revenue Jersey's access powers were consulted on during an earlier exercise in 2024 and were approved by the States Assembly in P.39/2024 on 4 June 2024 (the Taxation (Common Reporting Standard and United States of America) (Jersey) Amendment Regulations 2024). These changes were required in order to address a potential deficiency in Jersey's enforcement framework around the CRS, identified by the OECD during its most recent round of reviews of Jersey's legislative framework in respect of the Standard.

4. In the Consultation it also mentioned "Amendments to the penalty regime", can you advise what you are seeking to change?
The consultation proposed to:

- Align the penalty framework across FATCA, CRS and CARF. In particular, it proposed to increase the penalty for non-compliance with the FATCA Regulations from the current level of £250 to £300, in order to align with the CRS Regulations.
- Introduce a new penalty for late filing of AEOI returns, in order to more easily allow industry and Revenue Jersey to distinguish between administrative and more serious breaches.
- Introduce more discretion over the level of penalty imposed for failures to comply with the Regulations, as the current Regulations could lead to disproportionate penalties in certain circumstances.
- Publish the framework to be used by the Comptroller when calculating penalties.
- Amending the time-limit for imposing penalties in order to encourage timely correction of errors and improve certainty for financial institutions.

These points will be addressed in the consultation on the draft amending Regulations, to be published in December. The penalty calculation framework, which has been amended to reflect comments received, will also be subject to consultation at the same time. In addition, as a result of input received through the competitiveness review, the draft legislation will also propose introducing a cap on the maximum value of penalty which can be imposed, in line with other jurisdictions.

5. Can you advise the Panel if you intend to clarify the scope of the anti-avoidance rule under Common Reporting Standard?
The consultation paper asked for feedback on the operation of the anti-avoidance rule contained in the CRS Regulations, in order to ensure that it was operable for

industry. No respondents expressed any concerns about the current rule; a small number of respondents expressed the view that they consider that it is sufficiently clear. As a result, no changes are proposed to the anti-avoidance rule in the CRS Regulations. The same language has been replicated in the draft CARF Regulations.

6. Given the similarities between Common Reporting Standard Regulation and Foreign Account Tax Compliance Act Regulations, how are you ensuring that amendments are aligned, and are there any FATCA specific changes being considered separately?

Although the CRS and FATCA regimes have many similarities, they are separate reporting regimes. The amendments approved by the OECD to the CRS standard have not been adopted by the US in relation to the FATCA regime. As such, amendments to ensure that the CRS Regulations remain in line with the technical requirements of the CRS cannot be replicated in the FATCA Regulations. Any future changes arising from updates to the intergovernmental agreement with the U.S.A. on FATCA would be considered separately, as needed.

While jurisdictions have little discretion over the technical CRS and FATCA rules, they can control the way in which those obligations are implemented from a practical perspective in domestic law. As far as possible, therefore, administrative aspects of the AEOI framework are approached in a coordinated manner to ensure consistency across CRS, FATCA, and CARF, particularly in areas such as filing requirements, compliance and enforcement. As such, the only amendment currently under consideration which relates to the FATCA Regulations only is to align the level of a penalty for a failure to comply with those Regulations (current set at £250) with the same penalty in the CRS Regulations, which is set at £300.

7. How is industry being kept informed of these developments as work progresses?

Officers regularly offer briefings to relevant industry representative bodies, and have been engaging directly with affected businesses during the course of the past 18 months. Specific guidance is being prepared for industry on the actions needed between the proposed entry into force of the Regulations in January 2026 and the first reporting deadline in June 2027.

Kind regards,

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