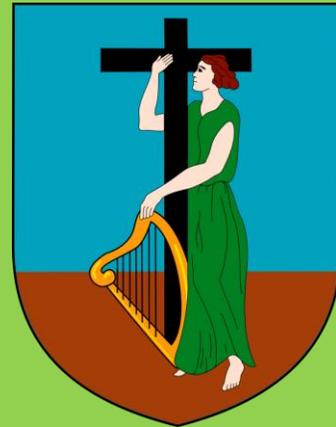


**COMMON
REPORTING
STANDARDS**

FEBRUARY 10, 2026

**GOVERNMENT OF
MONTSERRAT**



**TAX INFORMATION
EXCHANGE UNIT**

**MONTSERRAT CUSTOMS
AND REVENUE
SERVICES**

**CRS GUIDANCE DOCUMENTS
REPORT ON THE
REPORTING FINANCIAL
INSTITUTIONS**

This document is a summary guide for the RFIs registered in Montserrat and should not be relied on as the sole basis for conclusions on CRS. For further information on the standards and implementation of the CRS, please follow the official links below for the full extent of the OECD guidelines:

LINK: [Standard for Automatic Exchange of Financial Information in Tax Matters: Implementation Handbook, Second Edition | OECD](#)

LINK: [Standard for Automatic Exchange of Financial Account Information in Tax Matters | OECD](#)

If the RFI is still in doubt, the RFI is instructed to contact the Information Exchange Officer at the Montserrat Customs and Revenue Services at the MniTIU@gov.ms for official guidance.

CRS Compliance Guide Montserrat Institutions

Introduction to the Common Reporting Standard (CRS)

1. Globalisation of the financial sector now makes it much easier for individuals and entities to hold money and assets outside of their jurisdiction of tax residence. While the great majority comply with their tax obligations there are some who will use financial structures to evade tax. Automatic exchange of financial account information is about improving transparency in the fight against tax evasion and protecting the integrity of tax systems. Montserrat is party to a number of international agreements and is committed to tax transparency and compliance.
2. The Common Reporting Standard (CRS) is the result of the drive by the G20 nations to develop a global standard for the automatic exchange of financial account information. Developed by the Organisation for Economic Co-operation and Development (OECD), the CRS aims to maximise efficiency and reduce costs for Financial Institutions by drawing heavily on the approach taken to implementing the United States' Foreign Account Tax Compliance Act (FATCA) regime.
3. The Common Reporting Standard (CRS) represents a fundamental global initiative aimed at enhancing tax transparency and combating international tax evasion. CRS establishes a robust framework for the automatic exchange of financial account information between participating jurisdictions. Montserrat, as an engaged and participating member of the international community, has adopted CRS to align its financial sector with global best practices and fulfill its obligations under this multinational standard.
4. The Government of Montserrat signed the Automatic Exchange of Financial Account Information on 29 October, 2014, in relation to agreements with participating jurisdictions listed under Schedule 5, to improve international tax compliance based on the CRS.
5. [List of countries who have agreed to share information pursuant to CRS.](#)

Core Documents

6. The following are the core OECD elements of CRS that are relevant for Montserrat Financial Institutions:
 - The [Common Reporting Standard](#) that contains the due diligence and reporting rules for Financial Institutions; and
 - The Commentary on the CRS, which is an integral part of the CRS intended to illustrate and assist with interpretation of its provisions which can be found in the [OECD's 'Purple Book' \(CRS Commentary\)](#).
 - Annex 5 of the Purple Book regarding the due diligence procedures under the "Wider Approach"

7. The OECD has developed a comprehensive [Automatic Exchange Portal \(OECD AEOI Portal\)](#) that is the principal source for CRS materials and resources. In particular, Montserrat Financial Institutions should consult the following additional resources as guidance which have been issued by the OECD to assist with the application of the CRS:
 - [CRS Implementation Handbook \(CRS Handbook\)](#)
 - [CRS-related FAQs](#)
8. The legal basis for Montserrat to exchange information with other jurisdictions under the CRS is contained in the MCAA to which Montserrat is a party. The MCAA contains the rules on the modalities of the exchange between the Montserrat Competent Authority (Comptroller of Inland Revenue) and partner jurisdictions' Competent Authorities. It also contains representations on confidentiality, safeguards and the existence of the necessary infrastructure for an effective exchange relationship.

Purpose and Global Context of the CRS

9. This Guidance on CRS can neither extend nor restrict the scope of CRS as implemented by the Montserrat CRS Legislation.
10. The primary objective of CRS is to facilitate the automatic exchange of financial information between tax authorities worldwide to prevent tax evasion and improve cross-border tax compliance. This mechanism enables tax authorities to obtain relevant data on financial accounts held by non-resident individuals and entities, thereby closing loopholes exploited for illicit tax avoidance.
11. CRS requires financial institutions to identify the tax residencies of their account holders, collect specific due diligence information, and report this information annually to their local tax (Montserrat IRD) authorities. These authorities then exchange the data *securely* with partner jurisdictions. The result is greater transparency and a strengthened cooperative global tax environment, improving governments' ability to detect and deter tax evasion and protect the integrity of their tax systems.
12. This Guidance is therefore limited mainly to providing guidance on aspects of the CRS that are particular to Montserrat. This Guidance is not intended to replicate the information in the aforementioned OECD documents which form the core of the Standard and its interpretation. Financial Institutions should use the 'Commentaries on the Model Competent Authority Agreement and Common Reporting Standard', developed by the OECD, as a source of illustration or interpretation and with the aim of promoting consistency in application amongst Financial Institutions.
13. This Guidance is intended to aid businesses that may have responsibilities to review, collect and report information under the Montserrat CRS Legislation. It is also intended as a reference source for Montserrat Financial Institutions, legal and tax professionals for use alongside the Commentaries to the CRS.
14. A Montserrat Financial Institution must apply the Montserrat's CRS Legislation in force at the time, with reference to any OECD explanatory materials for the CRS and this

Guidance as applicable. Montserrat Financial Institutions are encouraged to seek professional advice or contact the Inland Revenue Department, if they are uncertain in any way of their obligations under the CRS framework.

Scope of the CRS

15. CRS applies broadly to a range of financial institutions and account types. The main entities and accounts within CRS scope include:

- **Financial Institutions**, such as banks, custodial institutions, investment entities, and certain insurance companies offering cash value products or annuities.
- **Reportable Accounts**, which typically include savings and deposit accounts, custodial accounts, equity and debt interests in certain entities, and cash value insurance contracts.
- **Controlling Persons** of Passive Non-Financial Entities (NFEs), whose identities must be determined and reported where applicable.

Key Definitions Under the CRS Relevant to Montserrat

- **Reportable Person:** An individual or entity that is tax resident in a CRS participating jurisdiction other than Montserrat, whose financial accounts are subject to reporting.
- **Financial Institution:** The term “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company. Any entity falling within the CRS categories responsible for performing due diligence and reporting.
- **Custodial Institution:** the term “Custodial Institution” as any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others.
- **Depository Institution:** “Depository Institution” as any Entity that accepts deposits in the ordinary course of a banking or similar business.
- **Investment Entity:** “Investment Entity” includes two types of Entities: Entities that primarily conduct as a business investment activities or operations on behalf of other persons, and Entities that are managed by those Entities or other Financial Institutions.
- **Specified Insurance Companies:** “Specified Insurance Company” as any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- **Excluded Accounts:** Accounts exempted from CRS reporting due to their nature or balance thresholds, such as low-value accounts or certain retirement accounts.
- **Undocumented Accounts:** Accounts for which required due diligence information is incomplete or missing, requiring enhanced scrutiny and possible reporting under CRS due diligence procedures.

- **What is a Non-Financial Entity (NFE)?** If an entity is not a Financial Institution, it will by default be an NFE. There are two categories of NFE:
Active NFE – A likely status for entities that derive the majority of their income, within a reporting year, through the course of an active trade or business (for example retail or service-based businesses).
Passive NFE – An NFE that is not an Active NFE where main sources of income is passive (for example an organisation that has greater than or equal to 50% passive income AND/OR greater than or equal to 50% passive income generating assets (in the previous reporting period)).

Montserrat's Legislative and Regulatory Framework CRS

16. Montserrat has implemented CRS requirements through dedicated legislative instruments designed to harmonise local financial sector operations with international standards.
 - [Tax Information Exchange \(FATCA Agreement\) \(UK IGA\) \(CRS\) \(Montserrat\) \(Implementation\) Regulations 2016](#)
 - [Tax Information Exchange Act 2019](#)
17. The local framework obliges reporting financial institutions operating within Montserrat to:
 - Conduct due diligence to determine the tax residency status of account holders.
 - Identify the controlling persons of reportable accounts.
 - Report relevant account information to the Montserrat Competent Authority (the Inland Revenue Department) annually.
 - Comply with ongoing record keeping and data protection requirements consistent with CRS standards.
18. Montserrat's adherence to CRS is further supported by regulations that specify the modalities for implementing due diligence procedures, definitions relevant to the reporting requirements, and penalties for non-compliance. These provisions solidify the jurisdiction's commitment to transparency and reinforce the measures to prevent abuse of its financial system.

Local Regulatory Bodies Responsible for CRS Compliance

19. The primary authorities overseeing CRS implementation and enforcement in Montserrat include:
 - **Montserrat Inland Revenue Department (IRD):** Acts as the Competent Authority responsible for receiving CRS reports from financial institutions, assessing compliance, and facilitating the exchange of information with partner jurisdictions.

- **Financial Services Commission (FSC):** Oversees the licensing, regulation, and supervision of financial institutions within Montserrat, ensuring that entities meet AML.CFT due diligence and reporting obligations.
- **Eastern Caribbean Central Bank:** Provides regulatory oversight of banking and financial entities, promoting adherence to international standards including CRS.

Notification and Reporting to the Authority

20. Notifications and reporting for the CRS should be conducted through the Montserrat Tax Information Exchange Unit (TIEU) Reporting Portal (FATCAONE), details of which have been notified by the TIEU in accordance with the CRS Regulations.

Reporting

21. Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations, 2016 S.R.O. 45 of 2016, Regulation 15(4) A reporting financial institution shall, on or before 30 June of the year following the reporting year to which a return relates, submit the return to the Comptroller electronically using an electronic return system.
22. The Montserrat reporting schema for the CRS is the published [CRS XML Schema](#) that is available on the OECD AEOI Portal. A user guide has also been issued to assist Montserrat Reporting Financial Institutions with the process of CRS notification and reporting via the Electronic Portal.

Participating Jurisdictions List

23. Participating Jurisdiction' is defined in the CRS. For the purposes of identifying Participating Jurisdictions, the OECD has provided guidance in the CRS Handbook. In line with the approach outlined in the Handbook at paragraph 31, Montserrat specifies all committed jurisdictions as Participating Jurisdictions.
24. A Non-Participating Jurisdiction is any jurisdiction that has not committed to adopt the CRS. A list of Participating Jurisdictions can be found at the page [CRS by Jurisdiction](#) posted by the OECD which shows the current state of implementation of all committed jurisdictions in a single table.
25. A Non-Participating Jurisdiction would be any jurisdiction not appearing in this table. 'Participating Jurisdictions' are not necessarily 'Reportable Jurisdictions'. Reportable Jurisdictions are those that have both enacted the CRS in domestic legislation and Montserrat has agreed to exchange information with.

26. Exchange of information cannot take place unless a jurisdiction has EOI arrangements in force. Where EOI arrangements have been signed, the international standard requires that jurisdictions must take all steps necessary to bring them into force expeditiously. Hence, for information exchange to be effective the parties to an exchange of information arrangement need to enact any legislation necessary to comply with the terms of the arrangement.
27. Montserrat is part of the signed bilateral arrangements between 147 countries, where we are signed to 32 bilateral agreement which allow for the exchange of information for tax purposes to the standard (12 TIEAs and 20 protocol to a DTC). <https://www.gov.ms/wp-content/uploads/2024/10/SRO-No.-38-of-2024-Tax-Information-Exchange-CMAAImplementation-MontserratAmendment-of-Schedule-Order-.pdf>
28. Following the completion of formalities by jurisdictions which are party to the MCAA, or a bilateral CAA, and upon the satisfaction of confidentiality and legal requirements stipulated in the CRS and the relevant Competent Authority Agreements, a list of Montserrat's [exchange partners](#) is published by the OECD.

Confidentiality

29. Montserrat will exchange information under the CRS with partner jurisdictions which have in place adequate measures to ensure the required confidentiality and data safeguards are met. These confidentiality obligations are evaluated by the Global Forum on Transparency and Exchange of Information for Tax Purposes through its implementation monitoring programme. Confidentiality and data safeguard questionnaires for all CRS jurisdictions are filed with the OECD Co-ordinating Body Secretariat.

Non-reciprocal Jurisdiction

30. Montserrat is classified as a non-reciprocal jurisdiction where the TIEU can only provide information to other jurisdictions but will not be receiving any CRS information from other reciprocal jurisdictions automatically.

Importance of CRS for Financial Institutions in Montserrat

31. For financial institutions operating in Montserrat, effective CRS compliance is not only a legal requirement but also a critical factor in sustaining trust and reputation in the international financial community. By implementing rigorous due diligence and reporting processes, institutions help:
 - Mitigate risks of being used for illicit activities such as tax evasion and money laundering.

- Ensure continued access to global financial markets and correspondent banking relationships.
- Promote confidence among investors and business partners that Montserrat is a jurisdiction committed to transparency and ethical financial practices.

CRS's Broader Impact on International Transparency and Cooperation

32. Through the automatic exchange of financial account information, CRS significantly enhances the ability of tax authorities around the world to detect discrepancies and enforce tax compliance. Montserrat's participation in CRS contributes to a global network of cooperation that:
- Strengthens the fight against tax avoidance and evasion.
 - Encourages fair taxation practices by reducing the advantages of hiding assets offshore.
 - Enhances revenue collection, allowing governments to fund essential public services efficiently and equitably.
 - Supports fair competition by leveling the playing field between jurisdictions adhering to transparency standards versus those that do not.
33. In this context, Montserrat's compliance with CRS aligns the jurisdiction with major economies and reinforces its reputation as a responsible financial centre.

Due Diligence Standards under CRS: Montserrat's Regulatory Requirements

34. Effective due diligence is the cornerstone of CRS compliance for Reporting Financial Institutions (RFIs) operating in Montserrat. These procedures are mandatory under the Montserrat Legislation and associated regulations, designed to ensure that RFIs correctly identify account holders and controlling persons who are tax residents in other Reportable Jurisdictions. The due diligence process is not merely an administrative task but a critical function that supports global tax transparency and prevents the misuse of Montserrat's financial sector for tax evasion.
35. The due diligence standards under CRS differentiate based on when the account was opened (new or pre-existing) and the type of account holder (individual or entity). Additionally, specific enhanced procedures apply to high-value pre-existing individual accounts.

Key Principles of CRS Due Diligence in Montserrat

36. Montserrat's regulatory framework aligns with the OECD's CRS due diligence requirements, mandating RFIs to implement processes that:
- Identify the tax residency(ies) of their account holders.

- Collect a self-certification from the account holder regarding their tax residency.
 - Verify the reasonableness of the self-certification using information the RFI holds.
 - Identify Controlling Persons of certain entity accounts (specifically Passive Non-Financial Entities or NFEs) and determine their tax residency.
 - Gather necessary information to report accounts identified as Reportable Accounts.
 - Maintain detailed records of the due diligence performed.
37. The level of due diligence required varies, reflecting a risk-based approach focused on where the highest risk of non-compliance might lie. However, all accounts falling within the scope of CRS held by RFIs in Montserrat are subject to some level of due diligence unless explicitly defined as Excluded Accounts under Montserrat's legislation.

Due Diligence Procedures for New Individual Accounts

38. For individual accounts opened on or after the CRS effective date in Montserrat (*Montserrat's effective date for implementing the OECD Common Reporting Standard (CRS), that is, the date from which its financial institutions began conducting due diligence, collecting account information, and preparing for automatic exchange—was in 2017*), RFIs must apply specific due diligence procedures at the time of account opening. The primary requirement is to obtain a self-certification from the account holder.

Self-Certification Requirement

39. Upon the opening of a new individual account, the RFI must require the account holder to provide a self-certification. This document must include:
- The account holder's name.
 - Current residential address.
 - Jurisdiction(s) of tax residency.
 - Taxpayer Identification Number(s) (TINs) for each jurisdiction of tax residency, unless an exception applies (e.g., the jurisdiction does not issue TINs or the FI can demonstrate that the account holder could not obtain one).
 - Date of birth.
40. The self-certification must be signed or positively affirm and dated by the account holder. Commentary on Section IV P 12: In addition, a Reporting Financial Institution is expected to notify any person providing a self-certification of the person's obligation to notify the Reporting Financial Institution of a change in circumstances. See FAQ or CRS 2.0 11bis. A self-certification is otherwise positively affirmed if the person making the self-certification provides the Reporting Financial Institution with an unambiguous acknowledgement that they agree with the representations made through the self-certification. In all cases, the positive affirmation is expected to be captured by the Reporting Financial Institution in a manner such that it can credibly demonstrate that the self-certification was positively affirmed (e.g. voice recording, digital footprint, etc.). The

approach taken by the Reporting Financial Institution in obtaining the self-certification is expected to be in a manner consistent with the procedures followed by the Reporting Financial Institution for the opening of the account. The Reporting Financial Institution will need to maintain a record of this process for audit purposes, in addition to the self-certification itself.

Verification of Self-Certification

41. The RFI is required to verify the reasonableness of the self-certification based on information obtained in connection with the opening of the account, including documentation collected for AML/CFT purposes under Montserrat's regulations. If the self-certification appears inconsistent with other information known to the RFI, the RFI must seek a reasonable explanation and supporting documentation from the account holder. . If the self-certification fails the reasonableness test, the RFI is expected to either obtain: (i) a new and valid self-certification; or (ii) a reasonable explanation and documentation, as appropriate, supporting the reasonableness of the self-certification in the day 2 guidelines within 90 days.
42. If the RFI is unable to obtain a new and valid self-certification or a reasonable explanation and documentation from the Account Holder during the 90-day period, the RFI must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and any other jurisdiction(s) in which the RFI has indications that the Account Holder is resident in. Given that obtaining a self-certification for New Accounts is a critical aspect of ensuring that the CRS is effective, the RFI is expected to have strong measures in place to ensure that valid self-certifications are always obtained for New Accounts. Such measures should have a strong enough impact on Account Holders to effectively ensure that self-certifications are obtained and validated in accordance with the rules set out in the CRS. In that light, for instance, measures that foresee the closure or freezing of the account after the expiry of 90 days, can all constitute “strong measures” (refer to OECD’s CRS FAQ 22).
43. If the self-certification indicates that the account holder is tax resident in a Reportable Jurisdiction (other than Montserrat), the account is identified as a potential Reportable Account, and the information must be reported to the Montserrat IRD.

Due Diligence Procedures for Pre-existing Individual Accounts

44. Pre-existing individual accounts are those held by individuals with RFIs in Montserrat as of the CRS effective date (*Montserrat’s effective date for implementing the OECD Common Reporting Standard (CRS), that is, the date from which its financial institutions began conducting due diligence, collecting account information, and preparing for automatic exchange—was in 2017*). Due diligence procedures for these accounts depend on their value, divided into Lower Value Accounts and High Value Accounts.

Lower Value Pre-existing Individual Accounts (Account Balance ≤ \$1,000,000 USD as of the CRS effective date)

45. For these accounts, RFIs in Montserrat are required to review electronically searchable data held by the FI. This review must search for indicators ("indicia") of tax residency in a Reportable Jurisdiction, such as:
- Identification of the account holder as a resident of a Reportable Jurisdiction.
 - Current mailing or residence address (including a P.O. Box) in a Reportable Jurisdiction.
 - One or more telephone numbers in a Reportable Jurisdiction and no telephone number for Montserrat.
 - Standing instructions to transfer funds to an account maintained in a Reportable Jurisdiction.
 - A current Power of Attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction.
 - An 'in-care-of' address or 'hold mail' instruction in a Reportable Jurisdiction if the FI does not have any other address for the account holder. In addition, Paper record search is required e.g. by referring the relevant paragraph in CRS (B. COMMON REPORTING STANDARD Section III: Due Diligence for Preexisting Individual Accounts B. Lower Value Accounts 5.): If a "hold mail" instruction or "in-care-of" address is discovered in the electronic search and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in subparagraph C(2), or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.
46. If any indicia are found, the RFI must obtain a self-certification and supporting documentation from the account holder or confirm the account holder's tax residency based on other information available to the FI. If the FI cannot determine the account holder's tax residency despite having indicia for a Reportable Jurisdiction, the account must be treated as an Undocumented Account.
47. Review of Lower Value Accounts must be completed within a specified timeframe following the CRS effective date (typically within two years, as per OECD standard implemented by Montserrat). However, RFIs may choose to apply the High Value Account procedures to these accounts.

High Value Pre-existing Individual Accounts (Account Balance > \$1,000,000 USD as of the CRS effective date)

48. High Value accounts require enhanced review procedures. RFIs in Montserrat must conduct both electronic and paper record searches for indicia, as described for Lower Value Accounts. **Referring the relevant paragraph in Commentary on section III subparagraph 35.** If the Reporting Financial Institution's electronically searchable databases include fields for, and capture all of the information described in, subparagraph C(3), then a further paper record search is not required. If the electronic databases do not capture all of this information, then with respect to a High Value Account, the Reporting Financial Institution must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in subparagraph B(2):
- a) the most recent Documentary Evidence collected with respect to the account;
 - b) the most recent account opening contract or documentation;
 - c) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;
 - d) any power of attorney or signature authority forms currently in effect; and
 - e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.
49. Additionally, they must:
- Search paper records (current customer master file, signature card, most recent account documentation, etc.) for indicia.
 - Inquire with the relationship manager (if any) assigned to the account holder to ascertain if they have knowledge of the account holder's tax residency in a Reportable Jurisdiction.
 - Request a self-certification from the account holder if any indicia are found, or if the relationship manager knows the account holder is likely a Reportable Person.
50. If indicia are found, the RFI must follow the same procedures as for Lower Value Accounts (obtain self-certification/documentation or confirm residency). If the RFI cannot determine the account holder's tax residency after completing the enhanced review and requesting a self-certification, the account must be treated as an Undocumented Account.
51. The review of High Value Accounts must be completed within a shorter timeframe (typically within one year of the CRS effective date, as per OECD standard implemented by Montserrat).
52. Montserrat's regulations permit RFIs to continue monitoring accounts that were not High Value as of the CRS effective date but subsequently exceed the \$1,000,000 threshold at the

end of any calendar year. These accounts become subject to the enhanced High Value review procedures, which must be completed within the following calendar year.

Due Diligence Procedures for New Entity Accounts

53. For entity accounts opened on or after the CRS effective date in Montserrat, RFIs must apply specific due diligence procedures to identify the account holder's tax residency and, where relevant, the tax residency(ies) of its Controlling Persons.

Self-Certification and Entity Classification

54. Upon opening a new entity account, the RFI must obtain a self-certification from the account holder. This self-certification must include:

- The entity's name.
- Current address.
- Jurisdiction(s) of tax residency.
- TIN(s) for each jurisdiction of tax residency, unless an exception applies.
- A declaration regarding the entity's type under CRS (e.g., Financial Institution, Government Entity, International Organisation, Central Bank, Active NFE, Passive NFE).

55. The RFI must verify or positively affirm the reasonableness of this self-certification based on information obtained for AML/CFT purposes or other regulatory purposes under Montserrat law.

Identification of Controlling Persons for Passive NFEs

56. If the entity self-certifies or is identified by the RFI as a Passive NFE, the RFI must identify the Controlling Persons of that entity. The definition of Controlling Persons under CRS in Montserrat aligns with that used for AML/CFT purposes. Once identified, the FI must determine the tax residency of each Controlling Person using:

- Information obtained in connection with the account opening (e.g., self-certification from the Controlling Person).
- Information obtained under AML/CFT procedures (e.g., identification documents, beneficial ownership details).

57. Each Controlling Person of a Passive NFE who is a tax resident of a Reportable Jurisdiction must be identified for reporting purposes.

Due Diligence Procedures for Pre-existing Entity Accounts

58. For entity accounts held with RFIs in Montserrat as of the CRS effective date, due diligence procedures depend on the account balance and the information already held by the FI.

Accounts with Balance > \$250,000 USD as of the CRS effective date

59. For these accounts, FIs must perform enhanced review procedures to determine the entity's tax residency and identify Controlling Persons if the entity is a Passive NFE. Procedures include:

- Reviewing information maintained for regulatory or customer relationship purposes (including AML/CFT documentation) to determine the entity's residence and type.
- If the entity appears to be a Passive NFE, reviewing information maintained for AML/CFT purposes to identify its Controlling Persons.
- Determining the tax residency of the entity and any identified Controlling Persons using information obtained during the review.
- Obtaining a self-certification from the entity or any Controlling Person if the FI cannot determine the required information based on existing records, or if there are inconsistencies.

60. Commentary on section V P 22: For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may also rely on information collected and maintained pursuant to AML/KYC Procedures. However, in the case of a Preexisting Entity Account with an account balance or value that exceeds USD 1 000 000, subparagraph D(2)(c)(ii) prescribes the collection of a self-certification from either the Account Holder or the Controlling Person, which may be provided in the same self-certification as the one provided by the Account Holder to certify its own status.

Accounts with Balance ≤ \$250,000 USD as of the CRS effective date

61. RFIs in Montserrat may elect to review these accounts. If they do, the procedures are generally the same as those for accounts over \$250,000. If an FI does not elect to review these accounts, they must still monitor for changes in circumstances that indicate a change in the account holder's tax residency or status that would make the account reportable (e.g., the entity becoming a Passive NFE with Reportable Controlling Persons).
62. Review of pre-existing entity accounts over \$250,000 must be completed within a specified timeframe (typically within two years of the CRS effective date, as per OECD standard implemented by Montserrat).

Determining Tax Residency

63. The central element of CRS due diligence is determining the tax residency of individuals and entities. This is primarily established by the self-certification provided by the account holder or Controlling Person. RFIs must verify the reasonableness of this information using reliable data or documentation. Tax residency rules are determined by each jurisdiction's domestic laws. A person can be tax resident in multiple jurisdictions simultaneously. The self-certification should list all relevant tax residencies.
64. If an RFI identifies indicia for a Reportable Jurisdiction but the self-certification claims residency elsewhere (or only in Montserrat), the RFI must resolve the conflict by requesting a reasonable explanation and supporting documentation from the account holder.

Commentary on section IV:

Section 13. A change in circumstances affecting the self-certification provided to the Reporting Financial Institution will terminate the validity of the self-certification with respect to the information that is no longer reliable, until the information is updated (see paragraph 17 of the Commentary on Section III).

Section 14. A self-certification becomes invalid on the date that the Reporting Financial Institution holding the self-certification knows or has reason to know that circumstances affecting the correctness of the self-certification have changed. However, a Reporting Financial Institution may choose to treat a person as having the same status that it had prior to the change in circumstances until the earlier of 90 calendar days from the date that the

self-certification became invalid due to the change in circumstances, the date that the validity of the self-certification is confirmed, or the date that a new self-certification is obtained. A Reporting Financial Institution may rely on a self-certification without having to inquire into possible changes of circumstances that may affect the validity of the statement, unless it knows or has reason to know that circumstances have changed.

Section 15. If the Reporting Financial Institution cannot obtain a confirmation of the validity of the original self-certification or a valid self-certification during such 90-day period, the Reporting Financial Institution must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and the jurisdiction in which the Account Holder may be resident as a result of the change in circumstances.

Record-Keeping Obligations

65. Montserrat's CRS framework mandates that RFIs maintain comprehensive records of the due diligence procedures performed and the information collected. These records must be sufficient to demonstrate that the RFI has complied with its obligations under the law. Required records include:

- Self-certifications obtained from account holders and Controlling Persons.
- Documentary evidence reviewed (e.g., copies of passports, tax identification numbers, company formation documents).
- Details of electronic and paper searches conducted.
- Documentation of inconsistencies found and the steps taken to resolve them.
- The results of determinations regarding account holder status, entity type, and controlling persons.

66. These records must be retained for a period of five years specified by Montserrat regulations and be readily available for inspection by the Montserrat IRD upon request.

Timelines for Due Diligence

67. The Montserrat CRS framework sets specific timelines for completing due diligence:

- **New Accounts (Individual and Entity):** Due diligence must be completed by the time the account is opened.
- **Pre-existing High Value Individual Accounts:** Review must be completed within the first year following the CRS effective date.
- **Pre-existing Lower Value Individual Accounts:** Review must be completed within the first two years following the CRS effective date.
- **Pre-existing Entity Accounts (over \$250k):** Review must be completed within the first two years following the CRS effective date.
- **Pre-existing Entity Accounts (up to \$250k):** While initial review may not be mandatory, monitoring for changes in circumstances is ongoing.

- **Accounts becoming High Value:** Review must be completed by the end of the calendar year following the year in which the account value exceeded \$1,000,000.

68. RFIs must establish internal procedures to ensure these timelines are met consistently.

Practical Guidance and Compliance Best Practices in Montserrat

69. For RFIs in Montserrat, effective CRS due diligence requires more than just fulfilling minimum legal requirements. Adopting best practices enhances compliance and mitigates risks:

- **Integration with AML/CFT Procedures:** Leverage existing AML/CFT processes and documentation wherever possible, as there is significant overlap, particularly in identifying entities and controlling persons. Ensure consistency between data collected for different regulatory purposes.
- **Robust IT Systems:** Implement or update IT systems to efficiently capture, store, search, and retrieve data relevant to CRS due diligence. This includes flagging indicia and tracking review progress, especially for pre-existing accounts.
- **Clear Policy and Procedures:** Develop detailed internal policies and procedures for CRS due diligence that are readily accessible to relevant staff. These should clearly outline the steps for each account type and value, handling of inconsistencies, and escalation procedures.
- **Staff Training:** Provide regular and comprehensive training to relevant staff (especially front-line personnel opening accounts and compliance officers) on CRS requirements, due diligence procedures, and the importance of accurate data collection.
- **Quality Assurance:** Implement a quality assurance process to periodically review completed due diligence files and self-certifications to ensure accuracy, completeness, and adherence to procedures.
- **Change in Circumstances Monitoring:** Establish a process to identify "changes in circumstances" (any new information indicating a change in the account holder's tax residency or status) after initial due diligence is completed. This triggers a requirement to re-evaluate the account's status.
- **Communication with Account Holders:** Prepare clear and concise communication materials to explain CRS requirements and the need for self-certifications to account holders. This helps manage customer expectations and encourages cooperation.
- **Liaison with Authorities:** Maintain open communication channels with the Montserrat IRD and FSRC regarding any complex cases or uncertainties in applying due diligence rules.

70. By diligently applying these standards and practices, RFIs in Montserrat can effectively meet their CRS obligations, contribute to global tax transparency, and maintain their standing within the international financial community.

Identifying Controlling Persons in CRS Compliance for Montserrat

71. The Common Reporting Standard places significant emphasis on transparency regarding the ultimate beneficial owners of certain entities, particularly Passive Non-Financial Entities (NFEs). For RFIs in Montserrat, accurately identifying these individuals, known as "Controlling Persons," is a crucial part of the due diligence process and a mandatory reporting requirement under the Montserrat *Tax Information Exchange Act* and the associated regulations for Persons with Significant Control (Registration) Regulations.
72. This section provides detailed guidance on the concept of Controlling Persons as defined under CRS and applied within Montserrat, outlining the criteria for their identification, the specific procedures for different entity types, documentation requirements, and considerations for compliance in the local context.

Definition and Significance of Controlling Persons under CRS

73. Under the CRS, a "Controlling Person" of an Entity is defined similarly to the concept of "beneficial owner" in the context of Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) regulations. In Montserrat, the definition of Controlling Person aligns closely with that used in the jurisdiction's AML/CFT framework.
74. The significance of identifying Controlling Persons under CRS arises specifically in the context of [Passive NFEs](#). Unlike Active NFEs or Financial Institutions, Passive NFEs are considered higher risk for potentially being used to hold assets that are not reported for tax purposes. Therefore, CRS requires RFIs holding accounts for Passive NFEs to 'look through' the entity and identify the individuals who ultimately control it. The tax residency of these Controlling Persons, if they are tax resident in a Reportable Jurisdiction, determines whether the Passive NFE's account is a Reportable Account under CRS.
75. Identifying Controlling Persons is therefore essential for FIs in Montserrat to correctly classify entity accounts and fulfill their reporting obligations. Failure to properly identify Controlling Persons of Passive NFEs can lead to non-compliance and potential penalties.

Criteria for Identifying Controlling Persons

76. The criteria for determining who constitutes a Controlling Person vary depending on the nature of the entity. The identification process primarily relies on the concept of beneficial ownership as applied under Montserrat's AML/CFT laws. For CRS purposes, the term "Controlling Persons" is used to refer to the natural persons who exercise control over an entity.

Controlling Persons of Entities (Generally, and for Passive NFEs)

77. For corporate entities, partnerships, or similar arrangements that are classified as Passive NFEs, Controlling Persons are generally the legal or natural person(s) who exercise control over the entity through ownership or other means. Montserrat's AML/CFT framework typically defines beneficial ownership and control. RFI's should apply these existing definitions and thresholds when identifying Controlling Persons for CRS.

78. The criteria usually involves different approaches:

- Section 7, [SRO No. 15 Of 2024 – Persons With Significant Control \(Registration\) Regulations](#), Holding an interest and a majority interest (1) A person holds an interest in a company if the person—
 - (a) holds, directly or indirectly, shares in the company;
 - (b) holds, directly or indirectly, voting rights in the company;
 - (c) holds, directly or indirectly, the right to appoint or remove any member of the board of directors of the company;
 - (d) has the right to exercise, or actually exercises, significant influence or control over the company; or
 - (e) the person has the right to exercise, or actually exercises, significant influence or control over the activities of a partnership that, under the law by which it is governed, is not a corporate body, or the trustees of a trust, hold an interest in the company and subregulation (1)(a), (b), (c) or (d) apply to the— (i) members of the partnership; or (ii) trustees of the trust; in the capacity of members of the partnership or trustees.
- (2) A person has a majority interest in a legal entity if the person—
 - (a) holds a majority of the voting rights in the legal entity;
 - (b) is a member of a legal entity and has the right to appoint or remove a majority of the directors of the legal entity;
 - (c) is a member of a legal entity and controls alone, pursuant to a joint agreement with other members, a majority of the voting rights in the legal entity; or
 - (d) has the right to exercise, or actually exercises, dominant influence or control over the legal entity.
- **Section 8 Interests held through a legal entity** (1) A person holds an interest in a company through a legal entity if the person—
 - (a) holds the interest by virtue of indirectly holding shares or a right; and

(b) the interest is held by virtue of having a majority interest in a legal entity—
(i) which holds the shares or right directly; or (ii) that is part of a chain of legal entities that includes the legal entity which holds the shares or right directly.

- (2) If subregulation (1)(b)(ii) applies, the person holds the interest in the company through each legal entity in the chain.
- **Section 9, Joint interests and arrangements** (1) If two or more persons each hold a share or right jointly, each of them is treated as holding that share or right. (2) If shares or rights held by a person and shares or rights held by another person are the subject of a joint arrangement between those persons, each of them is treated as holding the combined shares or rights of both of them.
- **Section 10, Calculating shareholdings** A person holds shares exceeding 25% of the issued shares in a company if the number of shares that the person holds exceeds, in aggregate, 25% of the total number of shares issued by the company. FIs in Montserrat must apply these criteria rigorously, drawing upon the due diligence already performed for AML/CFT purposes.

Controlling Persons of Trusts

79. For trusts, the Controlling Persons are typically the natural person(s) who hold specific roles within the trust structure. Under CRS (and generally aligned with AML/CFT), these roles include:

- The settlor(s) (the person(s) who provided assets to the trust).
- The trustee(s) (the person(s) holding and managing the trust assets).
- Any protector(s) (the person(s) with power to influence the trustee or beneficiaries).
- The beneficiary(ies) or class of beneficiaries (any person(s) entitled to benefit from the trust).
- Any other natural person(s) exercising ultimate effective control over the trust.

80. For trusts, RFIs must identify all individuals holding these Controlling Person roles. The tax residency of each of these individuals needs to be determined.

Procedures for Identifying Controlling Persons in Montserrat

81. The process for identifying Controlling Persons, is closely integrated with the entity due diligence procedures outlined in the previous section and the RFI's existing AML/CFT processes.

82. For a new entity account, upon identifying or classifying the entity as a FI, or a Passive NFE (often based on its self-certification and/or verification against documentation), the RFI must take steps to identify its Controlling Persons. For pre-existing entity accounts (especially those above the threshold requiring review), this identification process is triggered if the review indicates the entity is a Passive NFE.

83. Key steps for RFIs in Montserrat:

1. **Determine Entity Type:** Classify the entity account holder as a Financial Institution, Active NFE, or Passive NFE. This is often done using the entity's self-certification and verification.
2. **Identify Passive NFEs:** If the entity is not a Financial Institution, a Government Entity, an International Organisation, a Central Bank, or an Active NFE, it is likely a Passive NFE.
3. **Leverage AML/CFT Information:** Refer to the documentation and information already obtained as part of the FI's AML/CFT customer due diligence procedures for the entity. This documentation should include details about the entity's ownership and control structure and the identity of beneficial owner(s).
4. **Apply Controlling Person Criteria:** Use the ownership and control criteria (and the senior managing official fallback) based on Montserrat's AML/CFT standards and PSC regulations to pinpoint the natural person(s) who are the Controlling Persons.
5. **Determine Tax Residency of Controlling Persons:** For each identified Controlling Person, determine their tax residency. This may require obtaining a separate self-certification from the Controlling Person themselves or using reliable information already held by the FI (e.g., address, birth country, other tax IDs).
6. **Verify Information:** Verify the reasonableness of the Controlling Person's tax residency information against other data held by the FI. If the self-certification or other information indicates tax residency in a Reportable Jurisdiction, or if there are indicia suggesting this, the FI must ensure it has sufficient basis for its determination.

84. If, based on this process, one or more Controlling Persons of an entity are identified as tax residents in a Reportable Jurisdiction, the entity account becomes a Reportable Account for CRS purposes, and the details of the account and the reportable Controlling Person(s) must be reported.

Documentation Requirements

85. RFIs in Montserrat must maintain robust documentation supporting the identification of Controlling Persons. This documentation should demonstrate that the RFI has taken reasonable steps to identify Controlling Persons and determine their tax residency. Required documentation includes:

- The entity's self-certification regarding its CRS classification and tax residency.
- Self-certifications obtained from the Controlling Person(s) regarding their tax residency and TINs.
- Documentation obtained for AML/CFT purposes showing the ownership and control structure of the entity (e.g., corporate registries, shareholder registers, trust deeds, foundation documents, resolutions, registers of beneficial owners).

- Identification documents for the Controlling Person(s) (e.g., passports, national IDs).
- Any other documentary evidence used to verify the information provided (e.g., utility bills, tax identification numbers/certificates).
- Records of the steps taken by the FI to identify the Controlling Persons and determine their tax residency, including any challenges encountered and how they were addressed.

86. These records must be retained for the period of 5 years specified under Montserrat's regulations.

Challenges and Considerations in Montserrat

87. Identifying Controlling Persons can present challenges, particularly in the context of complex or opaque structures that may be present in international finance. However, RFIs in Montserrat may not encounter complex structures as most of the companies are simple entities with domestic ownerships. Nonetheless, some of the general difficulties are:

- **Obtaining Information:** Entities or Controlling Persons may be reluctant or slow to provide necessary self-certifications or supporting documentation.
- **Identifying 'Control by Other Means':** Determining who exercises control when it's not based on a clear ownership percentage can be subjective and requires careful assessment.
- **Outdated AML/CFT Information:** Relying solely on historical AML/CFT data may be insufficient if ownership or control has changed or if the original documentation did not meet the current CRS standard of identifying all reportable Controlling Persons.
- **Trust and Foundation Complexity:** Identifying all relevant parties in a trust or foundation (especially discretionary trusts or those with large classes of beneficiaries) and determining which ones qualify as Controlling Persons can be complex.

Reporting Controlling Person Information

88. Once a Controlling Person has been identified as tax resident in a Reportable Jurisdiction, their information must be included in the annual CRS report submitted by the RFI to the Montserrat Inland Revenue Department. The reportable information typically includes:

- The name of the Controlling Person.
- Their address.
- Their jurisdiction(s) of tax residency.
- Their TIN(s).
- Their date of birth.
- The account number(s) of the entity account(s) for which they are a Controlling Person.

- The name of the entity account holder.
89. Accurate reporting relies directly on the robustness of the RFI's identification and due diligence procedures for Controlling Persons.
90. In summary, identifying Controlling Persons is a fundamental component of CRS compliance for RFIs in Montserrat. It requires a diligent application of beneficial ownership principles, closely linked to existing AML/CFT frameworks, and necessitates robust procedures for identifying individuals exercising control over specific entity types, particularly Passive NFEs, trusts, and foundations. Effective identification and documentation are critical for meeting reporting obligations and contributing to global tax transparency.

Understanding Excluded and Undocumented Accounts within the Montserrat CRS Framework

91. Under the Common Reporting Standard framework as applied in Montserrat, it is essential for Reporting Financial Institutions to correctly classify accounts to ensure compliance with due diligence and reporting obligations. Based on the questionnaire findings it is important to highlight two important account categories that warrant special attention: **Excluded Accounts** and **Undocumented Accounts**. Proper recognition and management of these categories will reduce reporting errors and ensure adherence to Montserrat's legislative requirements established under the Legal and Regulatory Framework.

Defining Excluded Accounts in Montserrat

92. **Excluded Accounts** refer to financial accounts that are specifically exempted from CRS due diligence and reporting requirements. Montserrat's regulations incorporate these exemptions directly to align with OECD CRS guidelines while tailoring certain conditions to local legal and financial contexts.
93. Based on OECD Manual the following categories of accounts are considered excluded under Montserrat CRS rules:
94. Subparagraph C(17) – Excluded Account, Subparagraph C(17) contains the various categories of Excluded Accounts (i.e. accounts that are not Financial Accounts and are therefore excluded from reporting), which are: a) retirement and pension accounts; b) non-retirement tax-favoured accounts; c) term life insurance contracts; d) estate accounts; e) escrow accounts; f) Depository Accounts due to not-returned overpayments; and g) low-risk excluded accounts.
95. Montserrat's CRS legislation details in Schedule 1, Excluded accounts as for the purposes of the CRS, a pension arrangement for which— (a) the annual contributions do not exceed EC\$200,000; and (b) funds contributed cannot be accessed by a member of the arrangement before the age of 55 except in a case of serious ill health, is an excluded account.

What Are Undocumented Accounts?

96. The CRS only permits pre-existing individual accounts to be reported as undocumented in specific circumstances:

- Financial accounts can only be identified as undocumented where there is only a “hold mail” instruction or “in-care-of” address, and
- a paper search fails to establish an indicium, and
- the attempt to obtain the self-certification or Documentary Evidence is not successful.

In no other circumstances should an account be reported as an undocumented account. FIs are reminded that for New Accounts a valid self-certification must always be obtained. A pre-existing individual account is a financial account that was in existence as of 31 December 2015. In the case of High Value Accounts, where an account is identified and reported as undocumented, the FI is then required to carry out enhanced review procedures annually until the account ceases to be undocumented. This annual review consists of both an electronic record search and a paper record search where applicable. The criteria for an account to be reported as undocumented can be found in subparagraphs B.5, C.5(c), and C.7 of Section III of the [Common Reporting Standard](#)

Section III – subparagraph B.5 If a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in subparagraph C(2), or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.

Section III – subparagraph C.5(c) If a “hold mail” instruction or “in-care-of” address is discovered in the enhanced review of High Value Accounts described above, and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder. If the Reporting Financial Institution cannot obtain such self certification or Documentary Evidence, it must report the account as an undocumented account.

Section III – subparagraph C.7 Once a Reporting Financial Institution applies the enhanced review procedures described in paragraph C to a High Value Account, the Reporting Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in subparagraph C(4), to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting Financial Institution should re-apply them annually until such account ceases to be undocumented.

97. Although the CRS outlines the criteria in order to be undocumented, the term “undocumented” is open to misinterpretation. For example, it has often been taken to (incorrectly) mean any account for which a self-certification was requested but not obtained, or any account where no indicia was held on record. For Montserrat RFIs, treating accounts as undocumented triggers additional due diligence steps and reporting obligations discussed below.

Recognition and Management of Excluded and Undocumented Accounts by Montserrat Financial Institutions

Handling Excluded Accounts

98. RFIs must first establish clear criteria derived from the *domestic legislation and OECD Manual* and Montserrat CRS regulations to identify excluded accounts. Verification typically includes:

- Validating the account type and confirming qualification under local pension or retirement scheme rules.
- Confirming account balance thresholds using internal reporting systems and taking snapshots at the calendar year-end.
- Reviewing documentation for exempt entity status such as government or international organizations.

99. Once an account is designated as excluded, the RFI need not conduct detailed due diligence procedures or report the account under CRS. However, robust record-keeping is essential to demonstrate the basis for exclusion, as regulatory authorities in Montserrat may audit the determinations.

Managing Undocumented Accounts

100. Accounts classified as undocumented demand immediate action by the RFI to mitigate compliance risks. Montserrat legislation requires RFIs to:

- **Issue Written Requests:** The RFI must send official requests to account holders seeking the missing or inconsistent information. This includes requests for self-certification, additional identification, or clarification.
- **Apply CRS Default Rules:** If the account holder fails to respond or the information remains unsatisfactory, the RFI must treat the account based on the presumption rules in Montserrat’s CRS regulations. Often, this means reporting the account as reportable on a best available information basis where indicia exist targeting one or more Reportable Jurisdictions.
- **Escalate Higher Risk Accounts:** For high-value accounts or those with complex ownership structures may exist, enhanced due diligence and senior management review may be required.

- **Monitor and Update Records:** Ongoing surveillance for changes or subsequent receipt of valid information is critical to update the account status and reporting accordingly.
101. Because undocumented accounts carry significant legal and reputational risks, Montserrat RFIs should integrate automated alerts within their IT systems to flag such cases promptly and maintain audit trails of all remediation efforts.
102. Additionally, where the Tax Information Exchange Unit identify an undocumented account their must within sixty (60) days after the end of the reporting deadline where the undocumented account information is reported, notify the concerned Reporting Financial Institutions via the AEOI reporting portal, email, hand delivered or by postal mail, requiring the Reporting Financial Institutions to submit the explanations on why undocumented accounts have been reported within sixty (60) days after the notifications being received.
103. Where the Tax Information Exchange Unit deems necessary, it should advise Financial Services Commission of the AML/CFT risks in the concerned Reporting Financial Institutions. Based on the feedback of the follow-up procedures, the Tax Information Exchange Unit should take relevant compliance and enforcement actions as set out in Section 8, including relevant sanctions against Reporting Financial Institutions with respect to their non-compliance with CRS due diligence procedures.

Potential Risks Associated with Undocumented Accounts

104. Undocumented accounts inherently pose multiple risks that must be carefully managed:
- **Regulatory Non-Compliance:** Failure to identify and report reportable accounts accurately could lead to penalties under the Montserrat *Regulations* (*See link above*).
 - **Reputational Damage:** Non-compliance may harm the FI's reputation domestically and internationally, affecting business relationships and correspondent banking status.
 - **Facilitation of Tax Evasion or Fraud:** Undocumented accounts can conceal beneficial owners or tax liabilities, potentially exposing the RFI to legal liabilities or sanctions.
 - **Increased Compliance Costs:** More resources are required to investigate, validate, and report these accounts, sometimes involving external legal or consultancy expertise.

Interaction with CRS Reporting Obligations

105. For excluded accounts, there is no requirement to report under CRS; however, the basis for exclusion must be documented and available for review. In contrast, undocumented accounts require careful management:

- If indicia of tax residency in a Reportable Jurisdiction exist and the account holder fails to provide satisfactory documentation, the RFI must report the account as reportable using the best available information.
- Accounts for which tax residency cannot be conclusively determined but where no indicia exists may be temporarily treated as non-reportable, but ongoing monitoring is necessary.
- Record-keeping of all requests, responses, and evidence obtained or missing is mandatory under Montserrat CRS rules.

106. Failure to appropriately handle undocumented accounts may lead to incomplete or inaccurate CRS data submissions to the Montserrat IRD, undermining the integrity of Montserrat's participation in the automatic exchange of information initiative.

Enforcement Mechanisms and Compliance Monitoring

107. The effectiveness of CRS in Montserrat depends heavily on robust enforcement and comprehensive monitoring mechanisms. The Montserrat Inland Revenue Department, as the Competent Authority, under CRS legislation has key enforcement and monitoring capabilities which include:

- **Desk-based reviews, Onsite Audits and Inspections:** The IRD can conduct routine and ad hoc audits of reporting financial institutions to verify compliance with due diligence, record-keeping, and reporting obligations, in accordance with Section 27 Tax Administration Act, 2023. The Tax Information Exchange Unit can also conduct desk-based checks to verify the compliance of the Reporting Financial Institutions regarding their due diligence and reporting procedures, in accordance with Reg 11 and 12 of the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations and Section 27 Tax Administration Act, 2023.
- **Review of CRS Submissions:** The IRD will perform quality assurance checks on annual CRS submissions to detect anomalies, incomplete information, and potential errors or omissions.
- **Investigation and Remediation:** In cases of suspected non-compliance, reporting financial institutions are subject to investigations and the IRD shall inspect the records maintained by Reporting Financial Institutions in relation to actual Financial Accounts in accordance with Section 27 Tax Administration Act, 2023. These may include requests for additional documentation, interviews with personnel, and mandated corrective actions.
- **Penalties and Sanctions:** Montserrat's legislation establishes a clear penalty regime for breaches of CRS requirements. Penalties may include monetary fines, administrative sanctions, and, in severe cases, criminal prosecution. The Tax Information Exchange Unit must follow the procedures where monetary sanctions for non-compliance of Reporting Financial Institutions as set out in Regs. 23 to 25 of the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations as amended apply. For

example, failure to provide timely and accurate reports or submitting false information can result in escalating fines and possible suspension or revocation of licenses for regulated entities.

108. It must be noted, that the IRD will issue guidance notes and compliance advisories to assist institutions in understanding legislative updates and rectifying any non-compliance proactively before any penalties or sanction are to be imposed and the IRD will take a risk based approach. That is, in proposing the compliance actions, the relevant facts and circumstances should be taken into consideration. For example:

- In case of the first approach to a possible Reporting Financial Institution, a simple nudge letter may suffice.
- In the case of multiple approaches to the same possible Reporting Financial Institution, including cases where the Entity neglects to answer the nudge letter, a formal audit or other compliance activities may be more appropriate.

Frequently Asked Questions (FAQs) on CRS Compliance in Montserrat

The OECD's [AEOI Portal](#) provides guidance and implementation assistance.

- [OECD website - OECD Common Reporting Standard](#)
- [OECD website - AEOI Portal TIN](#)

What is the primary due diligence requirement for new individual accounts under Montserrat's CRS regulations?

For new individual accounts opened in Montserrat on or after the CRS effective date, Reporting Financial Institutions (RFIs) must obtain a self-certification from the account holder. This document must disclose the account holder's name, address, jurisdiction(s) of tax residence, Taxpayer Identification Number(s) (TINs), and date of birth. The FI must verify this information for reasonableness using AML/CFT documentation before accepting it.

How are Controlling Persons identified for entity accounts under CRS in Montserrat?

For entity accounts classified as Passive Non-Financial Entities (NFEs), Montserrat requires RFIs to identify natural persons who are Controlling Persons. This aligns with beneficial ownership definitions used under domestic AML/CFT laws and Persons of Significant Control Regulations. The RFI must obtain self-certifications from these individuals and determine their tax residency for reporting purposes.

What distinguishes Excluded Accounts from Undocumented Accounts in Montserrat's CRS framework?

Excluded Accounts are exempt from CRS due diligence and reporting, including certain low-value accounts, qualifying pension accounts, and government entity accounts. **Undocumented Accounts** lack the required due diligence information, such as missing or conflicting self-certifications, and require enhanced scrutiny, with potential reporting on a best available information basis if indicia of reportable status exist.

What should a Montserrat Reporting Financial Institution do if an account holder does not provide a self-certification?

The RFI must not open the Account without a valid self-certification.

When must CRS reports be submitted to Montserrat's Inland Revenue Department?

CRS reports must be submitted annually, by the designated deadline set by the Montserrat IRD, June of each year, following the end of the calendar year in which the information was collected. Financial Institutions should contact the TIEU within IRD for precise reporting deadlines to ensure timely compliance.

How does Montserrat's CRS legislation handle changes in account holder circumstances?

Reporting Financial Institutions in Montserrat are required to monitor accounts for "changes in circumstances," such as new indicia or updated information that may affect an account's CRS status. Upon detecting such changes, RFIs must perform updated due diligence and amend reporting information accordingly.

What are the penalties for non-compliance with CRS obligations in Montserrat?

The Tax Information Exchange Unit must follow the procedures where monetary sanctions for non-compliance of Reporting Financial Institutions as set out in Regs. 23 to 25 of the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations as amended apply.

What does CRS mean for all RFI customers?

For the purposes of meeting CRS requirements, Montserrat requires you to obtain completed and signed CRS self-certifications from your clients before you open a new Client Account (unless the Client Account can be treated as an excluded account).

You must also complete the Reasonableness Test for any CRS self-certification obtained before opening an account for the client.

What is a Reasonableness Test?

Reasonableness testing is based on the information obtained in connection with opening the Customer Account, including any documentation collected pursuant to Anti-Money Laundering (AML)/Know Your Customer (KYC) procedures.

How do the RFI complete a Reasonableness Test?

To complete the Reasonableness Test on your client's CRS self-certification, you are required to check that: 1) all key fields and sections in the form have been completed and that the form has been signed and dated by your client 2) there is no conflicting/inconsistent information within the form 3) there is no conflicting/inconsistent information between the form and documentation

collected pursuant to the AML/KYC procedures on your client 4) the Reason Code provided by your client (in the absence of a Taxpayer Identification Number) is valid, by reference to the AEOI Portal TIN page to determine the reasonableness of your client's claim.

What should the RFI do if the client fails a Reasonableness Test?

If the self-certification fails the reasonableness test, the RFI is expected to either obtain: (i) a new and valid self-certification; or (ii) a reasonable explanation and documentation, as appropriate, supporting the reasonableness of the self-certification within the next 90 days. If the RFI is unable to obtain a new and valid self-certification or a reasonable explanation and documentation from the Account Holder during the 90-day period, the RFI must treat the Account Holder as resident of the jurisdiction in which the Account Holder claimed to be resident in the original self-certification and any other jurisdiction(s) in which the RFI has indications that the Account Holder is resident in. Given that obtaining a self-certification for New Accounts is a critical aspect of ensuring that the CRS is effective, the RFI is expected to have strong measures in place to ensure that valid self-certifications are always obtained for New Accounts. Such measures should have a strong enough impact on Account Holders to effectively ensure that self-certifications are obtained and validated in accordance with the rules set out in the CRS. In that light, for instance, measures that foresee the closure or freezing of the account after the expiry of 90 days, can all constitute "strong measures" (refer to OECD's CRS FAQ 22).

How do I provide evidence that a Reasonableness Test has been conducted?

It is sufficient to manually mark the self-certification form, against the fields as shown in the example screen shot below, to provide evidence of the Reasonableness Test conducted (RT). Use the RT guide on the your customer portal and follow the completeness and consistency checks for all fields to support your outcome.

A ✓ indicates a satisfactory field

A X indicates an unsatisfactory field

What if my client is unsure about their tax residency?

If your client is unsure about their foreign tax residency, or has any specific questions regarding foreign tax residency, we recommend you advise them to seek professional tax advice, or contact the IRD.

CRS Compliance Templates and Checklists Tailored for Montserrat Institutions

To facilitate consistent and accurate CRS compliance, Montserrat financial institutions are encouraged to utilise the following practical templates and checklists as a guide. These tools support due diligence on account holders and controlling persons, ensuring robust documentation, effective monitoring, and streamlined reporting processes.

Key CRS Compliance Templates

- **Customer Self-Certification Form:** This form gathers essential information for determining tax residency, including name, address, date of birth, jurisdictions of tax residence, and TIN(s). It incorporates Montserrat-specific declarations about account type and tax residency to align with local CRS obligations.
- **Due Diligence Review Checklist:** A step-by-step guide for FIs to verify completeness and accuracy of collected CRS information, including checks on indicia of reportable jurisdictions, validation of self-certifications, and documentation completeness. It references Montserrat's prescribed thresholds and timelines.

Using the Templates Effectively

Each template and checklist should be integrated within the institution's internal compliance workflows:

- **At Account Opening:** Employ the Customer Self-Certification and Controlling Person Identification Forms immediately upon new account applications. Obtain signed declarations before the account becomes active.
- **For Pre-existing Accounts:** Use the Due Diligence Review Checklist to systematically verify accounts against CRS criteria, flagging those that require updated self-certifications or further review under Montserrat's due diligence timelines.
- **Ongoing Compliance:** Regularly update the Documentation Tracker to monitor the progress on outstanding information requests and ensure all accounts are compliant before the annual CRS reporting deadline.

CBI and RBI, Commentary, Section VII concerning special due diligence 3bis

3bis. In confirming the reasonableness of a self-certification, Reporting Financial Institutions may be confronted with instances where an Account Holder or Controlling Person has provided documentation issued under a citizenship or residence by investment scheme (CBI/RBI scheme), which allows a foreign individual to obtain citizenship or temporary or permanent residence rights on the basis of local investments or against a flat fee. Certain high-risk CBI/RBI schemes may be potentially misused to circumvent reporting under the CRS. Such potentially high-risk CBI/RBI schemes are those that give a taxpayer access to a low personal income tax rate on offshore

financial assets and do not require significant physical presence in the jurisdiction offering the CBI/RBI scheme. The OECD endeavours to publish information on such potentially high-risk CBI/RBI schemes on its website. It is expected that Reporting Financial Institutions rely on the OECD-published information in making the determination of whether they have a reason to know that the self-certification is incorrect or unreliable. In particular, where the Reporting Financial Institution has doubts as to the tax residency(ies) of an Account Holder or Controlling Person related to the fact that such person is claiming residence in a jurisdiction offering a potentially high-risk CBI/RBI scheme, the Reporting Financial Institution should not rely on such self-certification until it has taken further measures to ascertain the tax residency(ies) of such persons, including through raising further questions. Examples of such questions may include whether the Account Holder:

- (1) has obtained residence rights under an CBI/RBI scheme;
- (2) holds residence rights in any other jurisdiction(s); and
- (3) has spent more than 90 days in any other jurisdiction(s) during the previous year, as well as
- (4) the jurisdictions in which the Account Holder has filed personal income tax returns during the previous year.

The responses to these questions, accompanied by the relevant supporting documentation where applicable, should assist the Reporting Financial Institution in ascertaining whether the self-certification passes the reasonableness test.

FATCA GIN list reliance See OECD FAQ 27

FAQ 27. Reliance on publicly available information

Can Reporting Financial Institutions solely rely on the fact that an Account Holder is included in the FATCA FFI list to reasonably determine that such Account Holder is a Financial Institution pursuant to Section V(D)(1)(b) or Section VI(A)(1)(b)?

No. Section V(D)(1)(b) and Section VI(A)(1)(b) specify that the use of publicly available information is subject to the condition that such information can be relied upon to “reasonably determine” the status of the Entity. While the FATCA FFI list is included as an example in paragraph 12 of Section V of the Commentary, the mere inclusion of an Account Holder on the FATCA FFI list is not sufficient on its own to reasonably determine that such Account Holder is a Financial Institution for CRS purposes.

Sample Entity and Individual Self-Certification Forms

The following pages contain examples of self-certification forms to collect data from
Account

Holders in relation to the
 CRS.

Entity Self- Certification

Instructions for completion

[We/Entity Name] [are/is] obliged under the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations 2016, the Tax Information Exchange Act 2019 and treaties and intergovernmental agreements entered into by Montserrat in relation to the Common Reporting Standard, to collect certain information about each Account Holder's tax residency status and certain other information. Please complete the sections below as directed and provide any additional information that is requested. Please note that we may be obliged to share this information with relevant tax authorities. Terms referenced in this Self-Certification Form (Self-Certification) shall have the same meaning as in the CRS. Please see the Appendix for certain CRS definitions.

If any of the information below about your tax residence, CRS classification or other information changes in the future, please ensure you advise us of these changes promptly (and within 14 days of such change). If you have any questions about how to complete this Self-Certification, please contact your tax advisor. Please note that an Account Holder's status for CRS purposes may be different from its status under other exchange of information regimes (such as the FATCA or UK CDOT regimes). Please note that where there are joint Account Holders each Account Holder is required to complete a separate Self-Certification.

SECTION 1: Account Holder Identification

(a) Legal Name of Entity _____

(b) Country of Incorporation or Organization _____

(c) Date of Incorporation or Organization _____

(d) Current Registered Address

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

(e) Mailing Address (if different from above)

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

SECTION 2: Entity Type

(Please provide the Account Holder's status for CRS purposes by ticking one of the following boxes.)

Controlling Person.

Full Name	Current residence address	Date and place of birth	Country/ countries of tax residence	Details of controlling interest	Taxpayer Identification Number (TIN) or equivalent

Note 1: Details of a controlling interest may include any of the following: control by ownership, by other means, or as a senior managing official (in case of a legal person), as a settlor, trustee, protector, beneficiary or other (in case of a trust), or as a settlor-equivalent, trustee-equivalent, protector-equivalent, beneficiary-equivalent or other-equivalent (in case of a non-trust).

Note 2: Each natural person that is a Controlling Person must also complete a Controlling Person Self-Certification before this Entity Self-Certification will be considered complete.

SECTION 3: Country or Countries of Tax Residence and TINs of Account Holder

(a) Please indicate the Account Holder’s place of tax residence (if resident in more than one country please detail all countries and associated TINs).

If the Account Holder is not a tax resident in any jurisdiction (e.g., because it is fiscally transparent), the Account Holder must clearly indicate that below and provide its place of effective management or country in which its principal office is located.

If a TIN is unavailable please provide the appropriate reason **A**, **B** or **C** where indicated below:

- Reason A - The country where the Account Holder is liable to pay tax does not issue TINs to its residents
- Reason B - The Account Holder is otherwise unable to obtain a TIN (Please explain why you are unable to obtain a TIN in the below table if you have selected this reason)

- Reason C - No TIN is required. (Note. Only select this reason if the authorities of the country of tax residence entered below do not require the TIN to be disclosed)

Country or countries of tax residence	Taxpayer Identification Number (TIN) or equivalent	If no TIN available: Reason A, B or C

(b) If the Account Holder selected Reason B above, please explain in the following boxes why you are unable to obtain a TIN:

1	
2	
3	

SECTION 4: Declaration and Undertakings

I/We declare (as an authorised signatory/authorised signatories of the Entity) that the information provided in this Self-Certification is, to the best of my/our knowledge and belief, accurate and complete. I/We acknowledge that the information contained in this form and information regarding the Account Holder and any Reportable Account(s) may be reported to the tax authorities of the country/jurisdiction in which this account(s) is/are maintained and exchanged with tax authorities of another country/jurisdiction or countries/jurisdictions in which the Account Holder may be tax resident pursuant to intergovernmental agreements to exchange financial account information. I/We undertake to advise [you/Entity Name] within 14 days and provide an updated Self-Certification to [you/Entity Name] within 30 days where any change in circumstances occurs, which causes any of the information contained in this Self-Certification to be inaccurate or incomplete. I/We certify that I am/we are authorised to sign for the Account Holder in respect of all the account(s) to which this form relates.

Authorised Signature:

Authorised Signature:

Name: _____

Name: _____

Position/Title: _____

Position/Title: _____

Date: _____

Date: _____

Controlling Person Self-Certification

Instructions for completion

[We/Entity Name] [are/is] obliged under under the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations 2016, the Tax Information Exchange Act 2019 and treaties and intergovernmental agreements entered into by Montserrat in relation to the Common Reporting Standard, to collect certain information about each Account Holder's tax residency status and certain other information. Please complete the sections below as directed and provide any additional information that is requested. Please note that we may be obliged to share this information with relevant tax authorities. Terms referenced in this Self-Certification Form (Self-Certification) shall have the same meaning as in the CRS. Please see the Appendix for certain CRS definitions.

If any of the information below changes in the future, please ensure you advise us of these changes promptly (and within 14 days of such change). If you have any questions about how to complete this Self-Certification, please contact your tax advisor.

SECTION 1: Controlling Person Identification

(a) Legal Name of relevant Entity Account Holder(s) of which you are a Controlling Person

Legal Name of Entity 1: _____

Legal Name of Entity 2: _____

Legal Name of Entity 3: _____

(b) Name of Controlling Person

Family Name or Surname(s): _____

Title: _____

First or Given Name: _____

Middle Name(s): _____

(c) Current Residence Address of Controlling Person

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

(d) Mailing Address (if different from above)

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

(e) Date [and Place of Birth] ¹ of Controlling Person

Date of birth (dd/mm/yyyy) _____

[Town or City of birth _____]

[Country of birth _____]

SECTION 2: Country or Countries of Tax Residence and TINs of Controlling Person

(a) Please indicate the Controlling Person's place of tax residence (if resident in more than one country please detail all countries and associated TINs). If a TIN is unavailable please provide the appropriate reason **A**, **B** or **C** where indicated below:

- **Reason A** - The country where the Controlling Person is liable to pay tax does not issue TINs to its residents
- **Reason B** - The Controlling Person is otherwise unable to obtain a TIN (Please explain why you are unable to obtain a TIN in the below table if you have selected this reason)
- **Reason C** - No TIN is required. (Note. Only select this reason if the authorities of the country of tax residence entered below do not require the TIN to be disclosed)

Country or countries of tax residence	Taxpayer Identification Number (TIN) or equivalent	If no TIN available: Reason A, B or C

(b) If the Controlling Person selected Reason B above, please explain in the following boxes why you are unable to obtain a TIN:

1.	
2.	
3.	

SECTION 3: Type of Controlling Person

Please provide the Controlling Person's status by ticking the appropriate box(es) as applicable.

Type of controlling interest	Entity 1	Entity 2	Entity 3
a. Controlling Person of a legal person – control by ownership			
b. Controlling Person of a legal person – control by other means			
c. Controlling Person of a legal person – senior managing official			
d. Controlling Person of a trust - settlor			
e. Controlling Person of a trust - trustee			
f. Controlling Person of a trust - protector			
g. Controlling Person of a trust - beneficiary			
h. Controlling Person of a trust – other			
i. Controlling Person of a legal arrangement (non-trust) – settlor-equivalent			
j. Controlling Person of a legal arrangement (non-trust) – trustee-equivalent			
k. Controlling Person of a legal arrangement (non-trust) – protector-equivalent			
l. Controlling Person of a legal arrangement (non-trust) – beneficiary-equivalent			
m. Controlling Person of a legal arrangement (non-trust) – other-equivalent			

SECTION 4: Declaration and Undertakings

I declare that the information provided in this Self-Certification is, to the best of my knowledge and belief, accurate and complete. I acknowledge that the information contained in this form and information regarding the Controlling Person and any Reportable Account(s) may be reported to the tax authorities of the country/jurisdiction in which this account(s) is/are maintained and exchanged with tax authorities of another country/jurisdiction or countries/jurisdictions in which the Controlling Person may be tax resident pursuant to intergovernmental agreements to exchange financial account information. I undertake to advise [you/Entity Name] within 14 days and provide an updated Self-Certification to [you/Entity Name] within 30 days where any change in circumstances occurs, which causes any of the information contained in this Self-Certification to be inaccurate or incomplete. I certify that I am the Controlling Person (or I am authorised to sign for the Controlling Person) of all the account(s) held by the Entity Account Holder(s) as detailed in the Entity Self-Certification to which this Self-Certification relates.

Signature: _____

Name: _____

Date: _____

Note: If you are not the Controlling Person please indicate the capacity in which you are signing the form. [If signing under a power of attorney please also attach a certified copy of the power of attorney.]

Capacity: _____

Individual Self-Certification

Instructions for completion

*[We/Entity Name] [are/is] obliged under under the Tax Information Exchange (FATCA Agreement) (UK IGA) (CRS) (Montserrat) (Implementation) Regulations 2016, the Tax Information Exchange Act 2019 and treaties and intergovernmental agreements entered into by Montserrat in relation to the Common Reporting Standard, to collect certain information about each Account Holder's tax residency status and certain other information. Please complete the sections below as directed and provide any additional information that is requested. Please note that we may be obliged to share this information with relevant tax authorities. Terms referenced in this Self-Certification Form (**Self-Certification**) shall have the same meaning as in the CRS. Please see the Appendix for certain CRS definitions.*

If any of the information below about your tax residence or other information changes in the future, please ensure you advise us of these changes promptly (and within 14 days of such change). If you have any questions about how to complete this Self-Certification, please contact your tax advisor. Please note that an Account Holder's status for CRS purposes may be different from its status under other exchange of information regimes (such as the FATCA or UK CDOT regimes). Please note that where there are joint Account Holders each Account Holder is required to complete a separate Self-Certification.

SECTION 1: Account Holder Identification

(a) Name of Account Holder

Family Name or Surname(s): _____

Title: _____

First or Given Name: _____

Middle Name(s): _____

(b) Current Residence Address of Account Holder

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

(c) Mailing Address (if different from above)

Line 1 (e.g. House/Apt/Suite Name, Number, Street) _____

Line 2 (e.g. Town/City/Province/County/State) _____

Country _____

Postal Code/ZIP Code _____

(d) Date [and Place of Birth]² of Account Holder

Date of birth (dd/mm/yyyy) _____

[Town or City of birth _____]

[Country of birth _____]

SECTION 2: Country or Countries of Tax Residence and TINs of Account Holder

(a) Please indicate the Account Holder’s place of tax residence (if resident in more than one country please detail all countries and associated TINs). If a TIN is unavailable please provide the appropriate reason **A**, **B** or **C** where indicated below:

- **Reason A** - The country where the Account Holder is liable to pay tax does not issue TINs to its residents
- **Reason B** - The Account Holder is otherwise unable to obtain a TIN (Please explain why you are unable to obtain a TIN in the below table if you have selected this reason)
- **Reason C** - No TIN is required. (Note. Only select this reason if the authorities of the country of tax residence entered below do not require the TIN to be disclosed)

Country or countries of tax residence	Taxpayer Identification Number (TIN) or equivalent	If no TIN available: Reason A, B or C

(b) If the Account Holder selected Reason B above, please explain in the following boxes why you are unable to obtain a TIN:

1.	
2.	
3.	

SECTION 3: Declaration and Undertakings

I declare that the information provided in this Self-Certification is, to the best of my knowledge and belief, accurate and complete. I acknowledge that the information contained in this form and information regarding the Account Holder and any Reportable Account(s) may be reported to the tax authorities of the country/jurisdiction in which this account(s) is/are maintained and exchanged with tax authorities of another

country/jurisdiction or countries/jurisdictions in which the Account Holder may be tax resident pursuant to intergovernmental agreements to exchange financial account information. I undertake to advise [you/Entity Name] within 14 days and provide an updated Self-Certification to [you/Entity Name] within 30 days where any change in circumstances occurs, which causes any of the information contained in this Self-Certification to be inaccurate or incomplete. I certify that I am the Account Holder (or I am authorised to sign for the Account Holder) of all the account(s) to which this Self-Certification relates.

Signature: _____

Name: _____

Date: _____

Note: If you are not the Account Holder please indicate the capacity in which you are signing the form. [If signing under a power of attorney please also attach a certified copy of the power of attorney.]

Capacity: _____

APPENDIX - Certain Common Reporting Standard (CRS) Definitions

“Account Holder” means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of the Common Reporting Standard, and such other person is treated as holding the account.

In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

“Active NFE” means any NFE that meets any of the following criteria:

- a) less than 50% of the NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
- c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;
- d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial

Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;

- f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
or
- h) the NFE meets all of the following requirements:
 - i. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - ii. it is exempt from income tax in its jurisdiction of residence;
 - iii. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - iv. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and
 - v. the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to government of the NFE's jurisdiction of residence or any political subdivision thereof.

“Controlling Person(s)” means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

“Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

“Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

“Entity” means a legal person or a legal arrangement, such as a corporation, partnership, trust or foundation.

“Financial Account” means any account maintained by a Financial Institution and includes a Depository Account, a Custodial Account, equity and debt interests in certain Investment Entities, and certain Cash Value Insurance Contracts and Annuity Contracts, as set out in the Common Reporting Standard.

“Financial Institution” means a “Custodial Institution”, a “Depository Institution”, an “Investment Entity”, or a “Specified Insurance Company”.

“Investment Entity” means any Entity:

- a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - i. trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - ii. individual and collective portfolio management; or
 - iii. otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or
- b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity that is described in a) above.

An Entity is treated as primarily conducting as a business one or more of the activities described in a) above, or an Entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of b) above, if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term “Investment Entity” does not include an Entity that is an Active NFE

because it meets any of the criteria of *d)* through *g)* of the “Active NFE” definition. The “Investment Entity” definition shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

“NFE” means any Entity that is not a Financial Institution.

“Non-Reporting Financial Institution” means any Financial Institution that is:

- a)* a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution;
- b)* a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer;
- c)* any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in *a)* and *b)* above, and is defined in domestic law as a Non-Reporting Financial Institution, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the CRS;
- d)* an Exempt Collective Investment Vehicle; or
- e)* a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported with respect to all Reportable Accounts of the trust.

“Participating Jurisdiction” means a jurisdiction *(i)* with which an agreement is in place pursuant to which it will provide the information set out in the CRS and *(ii)* which is identified in a published list.

“Participating Jurisdiction Financial Institution” means *(i)* any Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside of such Participating Jurisdiction, and *(ii)* any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.

“Passive NFE” means any: *(i)* NFE that is not an Active NFE; and *(ii)* Investment Entity described in subparagraph

b) of the “Investment Entity” definition that is not a Participating Jurisdiction Financial Institution.

An Entity is a “**Related Entity**” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity..

“**Reportable Account**” means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures described in Sections II through VII of the Common Reporting Standard.

“**Reportable Jurisdiction**” means a jurisdiction *(i)* with which an agreement is in place pursuant to which there is an obligation in place to provide information under Section I of the Common Reporting Standard, and *(ii)* which is identified in a published list.

“**Reportable Jurisdiction Person**” means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.

“**Reportable Person**” means a “Reportable Jurisdiction Person,” *other* than: *(i)* a corporation the stock of which is regularly traded on one or more established securities markets; *(ii)* any corporation that is a Related Entity of a corporation described in clause *(i)*; *(iii)* a Governmental Entity; *(iv)* an International Organisation; *(v)* a Central Bank; or *(vi)* a Financial Institution.

“**Specified Insurance Company**” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

“**TIN**” means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).

CRS Due Diligence Review Checklist

For Financial Institutions in Montserrat

This checklist supports internal reviews to verify the **completeness, accuracy, and timeliness** of CRS compliance. It includes **self-certification validation, indicia checks, documentation standards**, and references **Montserrat's thresholds and timelines**, in accordance with the OECD Common Reporting Standard.

Account Categorization

- Classify accounts as:
 - New Individual Accounts (opened \geq Jan 1, 2017)
 - Preexisting Individual Accounts (opened $<$ Jan 1, 2017)
 - New Entity Accounts
 - Preexisting Entity Accounts
- Flag **Excluded Accounts** (e.g., pension accounts, low-risk savings accounts)
- Apply **Account Aggregation** rules to identify High Value Accounts. See CRS Section VII: Special Due Diligence Rule Subparagraphs C(1) through (3) – Account aggregation rules.

Indicia Checks

- Perform electronic and paper record searches for the following indicia:
 - Non-Montserrat mailing/residence address
 - Foreign phone number
 - Hold mail or care-of address
 - Standing instructions to transfer to offshore accounts
 - Power of attorney to a non-resident
- Document **reasonableness test** applied to determine whether indicia are reliable
- For preexisting accounts, ensure **electronic record search** covers all required fields; escalate to enhanced review if inconclusive

Self-Certification Validation

- Collect valid self-certifications for:
 - All new individual and entity accounts
 - Controlling persons of Passive Non-Financial Entities (NFEs)

- Validate:
 - Full name, address, jurisdiction(s) of tax residence
 - Valid TIN(s) or written explanation for absence
 - Signature and date
- Cross-check self-certification with KYC/AML data for consistency
- Ensure self-certification is obtained **before account opening** or within 90 days if temporarily opened pending documentation

Document Review for Entities

- Classify entity accounts into:
 - Financial Institutions (FIs)
 - Active NFEs
 - Passive NFEs
- Obtain documentation to support classification:
 - GIIN or FI certification for non-resident FIs
 - Ownership/control charts
 - Self-certification forms for controlling persons
- Identify and document tax residency of controlling persons of Passive NFEs

Thresholds and Enhanced Reviews (Montserrat)

- For **Preexisting Individual Accounts**:
 - Apply **\$1 million USD threshold** to determine if enhanced review is required
- For **Preexisting Entity Accounts**:
 - Accounts < **\$250,000 USD**: no due diligence unless balance exceeds threshold later
 - Accounts ≥ **\$250,000 USD**: apply full due diligence, including entity classification
- Conduct **Relationship Manager Inquiry** for High Value Individual Accounts

Timeline Management

- Ensure all due diligence and classification for preexisting accounts completed within 1–2 years of Montserrat's effective date (i.e., by Dec 31, 2017 for 2016 accounts)
- Submit CRS returns annually (by May of each reporting year, per local regulations)
- Maintain records and documentation for **a minimum of 5 years** post-submission

Recordkeeping & Compliance Monitoring

- Maintain:
 - All self-certification forms (paper or digital)
 - Supporting documentation for classification
 - Review logs and escalation records
- Implement **quality assurance checks** on data extraction and XML reporting format
- Conduct **annual internal audits** of CRS processes
- Report material non-compliance or documentation failure to the **Competent Authority**

Reporting Preparation

- Confirm all **reportable accounts** are included
- Validate data against schema using CRS XML schema validation tools
- File reports through Montserrat's designated portal (if applicable)
- Address **nil returns** appropriately, if no reportable accounts exist

Training & Oversight

- Ensure frontline staff are trained on:
 - Onboarding procedures
 - Recognizing CRS indicia
 - Escalation of documentation issues
- Appoint a **CRS Compliance Officer**
- Implement ongoing training and awareness programs

Final Sign-Off

- Review signed-off checklist before filing CRS return
- Document issues found and corrective action taken
- Retain audit trail and certification of completeness

This document is a summary guide for the RFIs and should not be relied on as the sole basis for conclusions on CRS. For further information on the standards and implementation of the CRS, please follow the official links below for the full extent of the OECD guidelines:

LINK: [Standard for Automatic Exchange of Financial Information in Tax Matters: Implementation Handbook, Second Edition | OECD](#)

LINK: [Standard for Automatic Exchange of Financial Account Information in Tax Matters | OECD](#)

If the RFI is still in doubt, the RFI is instructed to contact the Information Exchange Officer at the Montserrat Customs and Revenue Services at the MniTIU@gov.ms for official guidance.

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