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Legal Updates

Cayman Islands Common Reporting Standard (“CRS”) – Amendment Regulations Published and New Obligations from 1 January 2026

Introduction

On 27 November 2025, the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) (Amendment) Regulations, 2025, (the “**Amendment Regulations**”) were published in the Cayman Islands Gazette which, upon coming into force on 1 January 2026 (other than the new regulations for CRS returns and compliance forms which come into force on 1 January 2027), will introduce a number of important amendments to the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2021 Revision).

The amendments introduce practical changes to registration, reporting deadlines, penalty mechanics and information-gathering requirements, and also update the CRS framework to address electronic money and virtual assets.

Registration and Changes in Details

From 1 January 2026:

- A Cayman Financial Institution that becomes a Financial Institution in a given calendar year must register with the Tax Information Authority of the Cayman Islands (**TIA**) by 31 January of the following year via the TIA's AEOI portal.
- There are transitional provisions for those entities that became a Cayman Financial Institution during 2025 whereby the deadline for their registration with the TIA is 30 April 2026.

In addition, if any information in a Financial Institution's registration changes (for example, CRS classification, name, or contact details), a change form must be submitted within 30 days of the change taking effect.

PPOC must be within the Cayman Islands

The Amendment Regulations require the principal point of contact for each Cayman Financial Institution (“**PPOC**”) to be located within the Cayman Islands. Previously, the PPOC could be based anywhere. For those entities that are currently registered and whose PPOC is not based within the Cayman Islands, they must appoint a Cayman-based PPOC and notify the TIA **by 31 January 2027**.

Returns, Compliance Forms and Deadlines

The dates by which CRS Returns and CRS Compliance Forms must be filed are changing and will now fall on the same date. From 1 January 2027 (i.e. for the reporting for 2026):

- CRS returns (including nil returns) must be filed by 30 June of the year following the relevant calendar year (moved forward from 31 July which is the current deadline); and
- The CRS Compliance Form filing deadline will also be 30 June (brought forward from the current deadline of 15 September).

For both CRS returns and Compliance Forms, they must be filed through the TIA's electronic portal in the required form and must be accompanied by a declaration that the information is "adequate, accurate and current". These terms are defined in the Amendment Regulations as follows:

- **"adequate"** means that information provided contains all details required by the relevant regulation;
- **"accurate"** means the information provided is correct and reliable; and
- **"current"** means the relevant information is as up to date as is reasonably practicable and reflects any change of circumstances that occurred within the period to which the information relates.

Due Diligence

The Amendment Regulations will also require Cayman Financial Institutions to collect and report additional information, particularly in relation to "Controlling Persons" (who are, effectively, the ultimate beneficial owners of a relevant entity) and also additional information in respect of the reported accounts (e.g. whether the account is held in a single name or in joint names).

This information will be collected via a self-certification form, which must be completed by the relevant reportable person. Financial Institutions must now also report whether valid self-certifications have been obtained for all account holders required to provide them.

For accounts maintained as at 31 December 2025, and for reporting periods ending by the second calendar year after that date, the additional information on roles is required only where that information already exists in electronically searchable form.

Penalties for non-compliance

The Amendment Regulations also make changes to the approach that the TIA will take in relation to issuing penalties for non-compliance. In particular, where a Cayman Financial Institution fails to submit the required CRS return and Compliance Form by their due date, the TIA may now issue a penalty notice immediately without first issuing a notice of breach, which previously allowed representations to be made to the TIA in mitigation. Otherwise, the TIA's procedures for the issuance of penalties remain unchanged.

The previous provisions under which interest accrued on unpaid penalties have been repealed. In the case of an appeal against a penalty, enforcement of the penalty will continue to be stayed pending the outcome of that appeal.

Digital assets

The Amendment Regulations introduce a comprehensive update to align the regime with the growing use of electronic money and crypto-assets. The scope of a "Depository Institution" is widened so that entities holding "Specified Electronic Money Products" or "Central Bank Digital Currencies" ("**CBDs**") for customers are treated in the same way as traditional deposit-takers, and the definition of a "Depository Account" is expanded accordingly.

The concept of a "Financial Asset" is also broadened to include Relevant Crypto-Assets (i.e. crypto-assets capable of being used for payment or investment), so that dealing, managing or trading in such assets may now cause an entity to be classified as an "Investment Entity" for CRS purposes. As a result, businesses

involved in e-money issuance, digital wallets, exchange activities or custody of digital assets may fall within CRS reporting or due diligence obligations where they previously sat outside the framework.

The amendments also coordinate CRS reporting with the forthcoming “Crypto-Asset Reporting Framework” (“**CARF**”) by relieving Financial Institutions from having to report gross proceeds on Financial Assets where those proceeds will already be reported under CARF.

Altogether, the new provisions ensure that e-money, CBDCs and certain crypto-assets are treated in a consistent way under CRS, closing previous gaps and bringing digital-asset service providers more firmly within the global transparency and reporting framework.

Next steps

In light of the Amendment Regulations, Cayman Financial Institutions (e.g. investment funds, investment managers, and discretionary investment advisers) should:

- consider their CRS registration status and ensure processes are in place to meet the new registration deadlines. In particular, those who became Financial Institutions in 2025 will need to ensure they are registered with the TIA by 30 April 2026;
- identify whether the business has a Cayman-based PPOC and if not, plan for an appointment of a Cayman-based and TIA notification by 31 January 2027;
- update account opening and onboarding procedures so that valid self-certifications (with all required data fields) are obtained before account opening;
- review whether systems can capture the new reportable data elements (joint account status, account type, Controlling Person roles, self-certification status) and whether such data is stored in electronically searchable form;
- for e-money, CBDC or crypto-asset businesses, assess whether the updated definitions bring additional entities, products or accounts within CRS scope and take action accordingly;
- adjust internal reporting calendars and compliance workflows to align with the new 30 June deadline for both CRS returns and compliance forms; and
- ensure that internal sign-off is consistent with the requirement to declare that filings are adequate, accurate and current.

We provide the services for PPOC and advise a broad range of clients on CRS classification, registration, due diligence frameworks and reporting under the Cayman Islands’ international tax compliance regime, including the impact of the Amendment Regulations.

If you would like to appoint a Cayman-based PPOC and/or discuss how these changes may affect your business, your CRS classification or your onboarding and reporting processes, please contact any member of our team.

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About Loeb Smith Attorneys

Loeb Smith is a leading offshore corporate law firm, with offices in the British Virgin Islands, the Cayman Islands, and Hong Kong, whose Attorneys have an outstanding record of advising on the Cayman Islands' law aspects and BVI law aspects of international corporate, investment, and finance transactions. Our team delivers high quality Partner-led professional legal services at competitive rates and has an excellent track record of advising investment fund managers, in-house counsels, financial institutions, onshore counsels, banks, companies, and private clients to find successful outcomes and solutions to their day-to-day issues and complex, strategic matters.

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