



**VIRGIN ISLANDS**  
**INTERNATIONAL TAX AUTHORITY**  
INTEGRITY | TRANSPARENCY | ACCESSIBILITY

12<sup>th</sup> May, 2020

**FOR IMMEDIATE RELEASE**

As part of the risk-based CRS compliance regime the International Tax Authority (“ITA”) has issued notifications to produce to the ITA written Policies and Procedures. These written policies and procedures have been required to be kept since 2015 under the amendments to the Mutual Legal Assistance (Tax Matters) Act, 2003 (the “Act”) and the requirement had been strengthened in 2018 by a further amendment to the Act. Your policies and procedures should include the following:

- (a) identifying each jurisdiction in which an Account Holder or a Controlling Person is resident for income tax or corporation tax purposes for the purposes of any tax imposed by the law of the jurisdiction that is of a similar character of either of those taxes;
- (b) applying the due diligence procedures set out in CRS; and
- (c) ensuring that any information obtained in accordance with the Act or a record of steps taken to comply with the Act in respect of a Financial Account is kept for at least 6 years from the end of the year to which the information relates during which the steps were taken.

We reiterate as outlined in the Guidance notes published by the ITA, that a Reporting Financial Institution (“RFI”) must ensure that its policies and procedures are in line with the requirements above. However, for those Virgin Islands Financial Institutions (“VIFIs”) that are considered Non-Reporting Financial Institutions (“NRFIs”) (except for TDTs or other NRFIs to which a reporting obligation is extended under CRS) it would be sufficient to outline the facts and analysis leading to the conclusion that the NRFI meets the definition of a NRFI and the policies for regularly reviewing the entity’s circumstances to ensure the status still applies.

The written policies and procedures of a VIFI that is considered to be a RFI that is a trustee of a Trustee Documented Trust should include policies and procedures which apply to all of its TDTs since the trustee is responsible for all due diligence and reporting obligations of its TDT. Those TDTs would not be expected to have their own written policies and procedures.

VIFIs that have applied any threshold exemptions must keep an internal record of the application of the exemptions as part of the policies and procedures which they are required to have in place in accordance with the CRS Law.

During these difficult times the ITA will take a pragmatic approach in relation to these notifications and any VIFIs that are facing any difficulties in providing us with your policies and procedures due to COVID-19 are encouraged to contact us via at 1 (284) 468 – 4415 or by email to [info@bviita.vg](mailto:info@bviita.vg).