

ADVISORY

Issued By: Tax Administration Jamaica (TAJ)
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Common Reporting Standard to take effect for Year of Assessment 2021

Tax Administration Jamaica (TAJ) wishes to advise that amendments to the Revenue Administration Act (RAA) to insert the Revenue Administration (Convention on Mutual Administrative Assistance in Tax Matters) Regulations 2020 have been passed by both Houses of Parliament. The legislation came into effect on January 22, 2021 by way of an Appointed Day Notice. The amendments give effect to the Common Reporting Standard (CRS) of automatic exchange of financial information which is used internationally by over 100 jurisdictions to share information on taxpayers with their countries of residence.

The amendments, which were drafted in accordance with the Organisation for Economic Cooperation and Development (OECD) standards, aim to protect the integrity of tax systems by ensuring that all taxpayers are subject to tax on taxable income whether it is held within the island or offshore. For ease of reference, the requirements in respect of the Common Reporting Standard were incorporated into the Revenue Administration Act (RAA) by way of a Third Schedule and the text of the Convention on Mutual Administrative Assistance was inserted in the Fourth Schedule.

As a result of the amendment to the RAA the new requirements for the calendar year 2021 and subsequent years are as follows:

- All Reporting Financial Institutions (RFIs) will be required to identify reportable accounts through due diligence procedures outlined in the standard.
- All Reporting Financial Institutions (RFIs) will be required to file with Tax Administration Jamaica an Information Return in respect of every identified reportable account maintained by them in respect of the calendar year 2021 and subsequent years.

Reporting Financial Institutions include:

- Depository Institutions
- Custodial Institutions (including Trusts)
- Investment Entities
- Specified Insurance Companies

It should be noted that for any calendar year of reporting where a taxpayer fails to comply with the regulations set out in the Act, the penalty provisions will be applicable to these offences.

Tax Administration Jamaica will be conducting sensitization sessions, which will include engagement with external stakeholders beginning in April 2021.

Persons may contact their Client Relationship Manager (CRM) or TAJ's Exchange of Information Office (EOI) at (876) 969-0000 ext. 65044, or via email at eoit@taj.gov.jm.