

Statutory Document No. 2019/0079



*Income Tax Act 1970*

## **INCOME TAX (COMMON REPORTING STANDARD) (AMENDMENT) REGULATIONS 2019**

*Approved by Tynwald: 20<sup>th</sup> March 2019  
Coming into Operation in accordance with regulation 2*

The Treasury makes the following Regulations under section 104D of the Income Tax Act 1970.

### **1 Title**

These Regulations are the Income Tax (Common Reporting Standard) (Amendment) Regulations 2019.

### **2 Commencement**

If approved by Tynwald<sup>1</sup>, these Regulations come into operation on the day after they are approved.

### **3 Amendment of the Income Tax (Common Reporting Standard) Regulations 2015**

(1) The Income Tax (Common Reporting Standard) Regulations 2015<sup>2</sup> are amended as follows.

(2) For regulation 6(2)(c) (due diligence requirements) substitute —

**6**(c) secure that —

(i) the information obtained in accordance with this regulation; and

(ii) a record of the steps taken to comply with this regulation,

in relation to any financial account is kept for a period of at least 5 years after the end of the period within which the reporting financial institution must report the information.

**6**.

<sup>1</sup>Tynwald approval is required by section 104D(5) of the Income Tax Act 1970.

<sup>2</sup> SD 2015/0323

- (3) After regulation 11 (use of service providers), insert —

**11A Compliance Return**

- (1) The Assessor may, by notice in writing, require a relevant financial entity to make and deliver to the Assessor a true and correct return —
- (a) in such form and manner; and
  - (b) containing such information relating to the entity or an entity to which they provide services with respect to the CRS,
- as the Assessor may require by the due day.
- (2) In this regulation —
- (a) the “due day” is the 90<sup>th</sup> day following the date of issue of the return; and
  - (b) a “relevant financial entity” is a reporting financial institution or any person whom the Assessor considers could be a reporting financial institution. **22**.
- (4) In regulation 14(1)(a) (penalties for inaccurate information), after “regulation 7” insert **11A** **22**.
- (5) After regulation 20 (enforcement of penalties), insert —

**20A Penalties for Making Incorrect Returns**

- (1) A person commits an offence if the person, in making a self-certification under regulation 6 —
- (a) makes a statement that is misleading, false or incorrect in a material particular; and
  - (b) knows, or is reckless as to whether, the statement is misleading, false or incorrect in a material particular.
- (2) A person who commits an offence under paragraph (1) is liable on summary conviction to a fine not exceeding level 3 on the standard scale. **22**.

MADE 14/02/2019

A L CANNAN  
Minister for the Treasury

*EXPLANATORY NOTE*

*(This note is not part of the Regulations)*

These Regulations are made under section 104D of the Income Tax Act 1970. They amend the Income Tax (Common Reporting Standard) Regulations 2015 [SD 2015/0323] which give effect to the arrangements reached between the Government of the Isle of Man and other jurisdictions to improve international tax compliance.

The amendments require financial institutions to obtain and keep certain information for a period of at least 5 years after the end of the reporting period.

They also require a relevant financial entity to make and deliver a return of information relating to the entity, or an entity to which they provide services, with respect to the CRS. They also impose a penalty on any such entity for providing inaccurate information in that return.

Finally, they impose a penalty, of up to level 3 on the standard scale, on a person who makes a false or incorrect self-certification under the CRS.