



VIRGIN ISLANDS

INTERNATIONAL TAX AUTHORITY

INTEGRITY | TRANSPARENCY | ACCESSIBILITY

FOR IMMEDIATE RELEASE

CRS 2.0 and CARF

Tortola, BVI – 24 October, 2025

The Organisation for Economic Co-Operation and Development (“OECD”) has completed amendment to the Common Reporting Standards (“CRS”). The CRS law was implemented in the Virgin Islands in 2015 with the effective date being 1st January, 2016. The Virgin Islands, as an early adopted, exchanged financial account information under CRS in September 2017. The new CRS amendments were finalized by the OECD in 2023 (“CRS 2.0”) and all participating jurisdiction have begun their implementation.

The Virgin Islands intends to introduce CRS 2.0 with effect from 1st January, 2026. These means that by the end of 2026 Financial Institutions must collect the new information and ensure that it is submitted to the International Tax Authority by May, 2027.

The Key changes in CRS 2.0 are as follows:

- 1) Inclusion of new digital products – the definition of financial accounts has been expanded to include specific electronic money products and Central Bank Digital Currencies (“CBCDs”);
- 2) Definition of financial assets expanded – the definition of a financial asset is updated to include crypto-assets held in custody, derivatives, and other indirect crypto-assets investments.
- 3) Due Diligence enhancements – the due diligence procedures are strengthened, requiring financial institutions to validate self-certifications for both account holders and controlling person.
- 4) Reporting entities clarified – the definition of depository institutions has been amended to include e-money providers that are not already covered, and the definition of depository accounts has been updated to cover e-money and CBCD holdings.
- 5) Further amendments to CRS and the Commentary with a view to improving the quality and usability of CRS reporting. A few of those changes are as follows:
 - a. Expansion of the reporting requirements in respect of account holders, controlling persons and the financial accounts they own;
 - b. Reliance on AML/KYC procedures for determining controlling persons;
 - c. Exceptional due diligence procedures for cases where a valid self-certification was not obtained;
 - d. Qualification of certain capital contribution accounts as Excluded Accounts;
 - e. Non-Reporting Financial Institution category for genuine charities;

The Mutual Legal Assistance (Tax Matters) Act, Revised Edition 2020 outlines in sections 25 and 26 that the CRS, its commentary and any further amendments apply to the Virgin Islands. As such Financial Institutions must familiarize themselves with these new amendments to ensure that they are able to submit information in line with the reporting timelines.

The OECD has published these amendments, and they are available on our website <https://bviita.vg/blog/2025/10/23/crypto%E2%80%91asset-reporting-framework-and-2023-update-to-the-common-reporting-standard-guide/>

COMING SOON

The Virgin Islands has committed to the implementation of the Crypto-Asset Reporting Framework (“CARF”). The commitment is for exchanges in 2028, which is a slightly different timeline from the implementation of CRS 2.0. The CARF standard is also available in the above publication and relevant entities are asked to begin assessing the applicability of CARF.

Have a query?

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