



St. Christopher (St. Kitts) & Nevis Inland Revenue Department

Industry Advisory

Undocumented Accounts

BASSETERRE, ST. KITTS, 11th April 2023 (Inland Revenue Department) – The Competent Authority for the Exchange of Information, for the Federation of St. Kitts and Nevis issues guidance on the due diligence and reporting obligations of Undocumented Accounts under the provisions of the Common Reporting Standard (CRS) (*Automatic Exchange of Financial Information Accounts Information*) Act and Regulations.

CRS reporting obligations for Undocumented Accounts.

An ‘undocumented account’ generally arises when a Reporting Financial Institution (RFI) is unable to obtain information from an account holder in respect of a **pre-existing account**. A pre-existing account is a financial account that was maintained by a Financial Institution as of **December 31, 2016**.

RFIs are required to treat certain Pre-existing Individual Accounts as undocumented when performing the following CRS due diligence procedures outlined in the CRS (Automatic Exchange of Financial Information Accounts Information) Regulations, 2016, *Schedule 4, Subsection III B and C*. It is incorrect for the Reporting Financial Institutions to report any other Financial Accounts as undocumented accounts.

Lower Value Accounts

A Pre-existing Individual Lower Value Account where **all three** of the following criteria are met should be reported as an undocumented account:

- The only indicators that the RFI hold from their electronic record search are ‘hold mail’ Instruction or an ‘in-care-of address in a Foreign Jurisdiction.
- No other address or indicia of residence are identified for the account holder.
- The RFI has carried out a paper record search for indicia and no indicia were found, or the RFI has tried to obtain a self-certification or other documentary evidence from the account holder to establish the jurisdiction of tax residence of the account holder and has been unsuccessful.



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High Value Accounts

A Pre-existing Individual High Value Account where **all three** of the following criteria are met should be reported as an undocumented account:

- The only indicators that the RFI hold from their electronic record search are 'hold mail' Instruction or an 'in-care-of address in a Foreign Jurisdiction.
- No other address or indicia of residence are identified for the account holder.
- The RFI has tried to obtain a self-certification or other documentary evidence from the account holder to establish the jurisdiction of tax residence of the account holder and has been unsuccessful.

Where a Financial Institution has identified and reported an account as an undocumented account, the FI must repeat the enhanced review for high value individual accounts annually until the account ceases to be undocumented. This annual review consists of both an electronic record search and paper record search where applicable.

Undocumented accounts should be reported to the Competent Authority via the reporting portal using the country code **KN**.

FIs are reminded that a valid self-certification must be obtained for all new accounts (accounts opened on or after January 1, 2017).

For further understanding of high and lower value accounts, we direct you to the CRS (Automatic Exchange of Financial Information Accounts Information) Regulations, 2016, Section 2 Interpretation for the definitions and Schedule 4 Section III subsections (B) and (C).

Competent Authority for Exchange of Information



Authorized Signatory

The Inland Revenue Department is charged with administering the tax laws of the Federation in an efficient and equitable manner, to promote voluntary compliance to maximize revenue for the development of the Federation at the least cost to the public and in a manner that warrants the highest degree of public confidence in our integrity, efficiency, and fairness. The Inland Revenue Department is the prime revenue collections agency for the Government of St. Kitts and Nevis within the Ministry of Finance, located at Bay Road, Basseterre, and Charlestown, St. Kitts and Nevis, West Indies.