

ST.KITTS AND NEVIS

INFORMATION BULLETIN



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Citizenship and Residency by Investment (CBI/RBI) Schemes and their Implications for CRS Compliance

This Bulletin serves to advise all Reporting Financial Institutions (RFIs) of the concerns raised by the Organisation for Economic Co-operation and Development (OECD), the Global Forum on Transparency and Exchange of Information for Tax Purposes (GF), and the European Union (EU) regarding the potential misuse of Citizenship and Residency by Investment (CBI/RBI) schemes for circumventing Common Reporting Standard (CRS) obligations.

Saint Kitts and Nevis remains committed to upholding the integrity of its CRS framework and ensuring that its international exchange of information obligations is met with transparency and accuracy.

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CBI and RBI programs allow individuals to obtain citizenship or residence rights in exchange for investment. While these programs are legitimate economic tools, the OECD and GF have identified instances where such schemes have been abused to conceal assets, misrepresent tax residency, or avoid CRS reporting. Saint Kitts and Nevis operates one of the world's longest established CBI programmes, which remains an important pillar of the national economy. The Citizenship by Investment Unit (CIU) continues to strengthen its governance and due diligence framework to ensure the programme's integrity and compliance with international tax transparency. As a participating jurisdiction under the CRS, Saint Kitts and Nevis is required to ensure that its Financial Institutions (FIs) conduct appropriate due diligence to prevent CRS circumvention.

OECD:

The OECD has identified CBI/RBI programs that grant citizenship or residency without requiring substantial physical presence as high-risk for misuse. Such schemes may allow individuals to claim tax residency in jurisdictions where they have minimal or no physical ties.

Global Forum:

The Global Forum continues to monitor the safeguards implemented by participating jurisdictions to prevent the use of CBI/RBI programs for CRS evasion. Weak enforcement or lack of monitoring can result in adverse peer review ratings or inclusion in enhanced monitoring lists.

It is important to note that GF peer review outcomes and international evaluations directly impact the jurisdiction's reputation and ability to maintain reciprocal exchange relationships with partner jurisdictions.

European Union:

The EU has also expressed concern that certain investor citizenship and residence schemes can facilitate tax evasion, corruption, and money laundering, and may impact a jurisdiction's standing in the EU list of non-cooperative jurisdictions for tax purposes. Financial Institutions are reminded that under the Saint Christopher and Nevis (Mutual Exchange of Information on Taxation Matters) Act and the CRS Act and Regulations, FIs must identify the tax residency of each Account Holder using reliable self-certifications and supporting documentation.

Where an Account Holder or Controlling Person has acquired citizenship through an investment program, the FI must apply enhanced due diligence measures to validate the declared tax residency and prevent false declarations.

FIs are encouraged, where appropriate, to liaise with the CIU or request supporting confirmation from the client regarding the status and date of issuance of their CBI certificate or passport. This additional verification helps to confirm that the client's claimed tax residence is genuine and not merely linked to investment-related nationality acquisition.

Enhanced Due Diligence Guidance

Focus Area	Action Required by the FI
Verification of Tax Residency	Assess whether the declared tax residence aligns with the Account Holder's actual circumstances (employment, family, property, duration of stay).
Identification of CBI/RBI Indicators	Be alert to recent nationality changes, multiple passports, or documentation from jurisdictions with CBI/RBI programs.
Physical Presence and Ties	Confirm whether the Account Holder has meaningful physical presence or economic activity in the claimed jurisdiction.
Validation of Self-Certifications	Reject or seek clarification on any self-certification where the declared tax residence appears inconsistent with other documentation.
Supporting Documentation	Request additional proof such as a lease agreement, local utility bill, or tax assessment.
Ongoing Review	Conduct periodic reviews to detect changes in citizenship or residency status that may affect reporting obligations.
Escalation	<p>Where inconsistencies cannot be resolved: For accounts opened prior to 1 January 2017, classify the account as "undocumented" in accordance with the applicable due diligence procedures.</p> <p>For accounts opened on or after 1 January 2017, treat the account as reportable, based on the available information.</p> <p>In all cases, notify the Competent Authority if there are indications or suspicions of misuse or non-compliance.</p>

The IRD will continue to collaborate with the OECD and the Global Forum to ensure strong implementation of CRS obligations.

As part of its 2026 AEOI Compliance Strategy, the IRD will:

- Conduct CRS compliance reviews targeting accounts linked to CBI/RBI jurisdictions.
- Verify FIs' internal controls for validating self-certifications and monitoring changes in residency or nationality.
- Provide further compliance guidance to strengthen reporting accuracy.

Failure to apply adequate due diligence measures will result in compliance findings, penalties, or heightened monitoring by the IRD.

Key Takeaways for FIs

- FIs must not rely solely on the presentation of a passport or residence card from a CBI/RBI jurisdiction.
- Enhanced due diligence is mandatory where there are indicators of potential CBI/RBI misuse.
- Adequate documentation and ongoing monitoring are essential to support tax residency determinations.
- The IRD will apply a risk-based approach to ensure compliance integrity under the CRS framework.

The IRD appreciates the cooperation of all RFIs in safeguarding the integrity of the CRS framework. Continued diligence and accuracy in client due diligence will ensure that Saint Kitts and Nevis maintains its standing as a compliant and cooperative jurisdiction under the Global Forum's transparency standards.

For further guidance or technical assistance, please contact the IRD International Taxation Unit (ITU) at: aeoi.skn@ird.gov.kn.

Competent Authority

Saint Kitts and Nevis Inland Revenue Department