

KPMG AEOI Updates & Tracking Service CRS Alert



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Country:	British Virgin Islands	Regime:	CRS

British Virgin Islands: Issued Updates on Upcoming CRS Risk Assessment Procedures and New CRS Forms

On November 27th, the International Tax Authority of the British Virgin Islands (BVI ITA) hosted a Common Reporting Standards (CRS) webinar. The webinar provided reminders about the CRS due diligence and reporting obligations of Financial Institutions (FIs) and introduced significant updates to the CRS compliance activities that FIs can expect starting from the 2025 reporting season. The key updates from the webinar are as follows:

CRS Risk Assessment and Enforcement Activities:

Starting from the 2025 reporting season, the CRS risk assessment will be based on the information submitted by FIs through the reporting portal and their responses to the BVI ITA's specific queries, including questionnaires and CRS forms. Following the assessment, FIs will be assigned a risk rating and will be subject to regular compliance actions based on their risk rating. The BVI ITA has devised a three-tier rating system:

- Low risk: FIs assessed as posing a low compliance risk will typically be reviewed within five years, unless there is a trigger event.
- Medium risk: FIs with a limited risk of effective CRS compliance will be reviewed within one to two years.
- High risk: FIs with a considerable risk of non-compliance with CRS regulations will be reviewed annually until the BVI ITA is satisfied that the FI's CRS obligations are consistently met.

For FIs categorized as Medium or High risk, compliance review may include either:

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- Desk-based Compliance Inspections, where information and documents from FIs will be analyzed at the BVI ITA premises; or
- Onsite Compliance Inspections, which can be physical, where information and documents will be analyzed at the FIs' premises, or virtual, provided the FI's data is accessible to the BVI ITA with minimal intervention from the FI. A combination of physical and virtual inspections can also take place as applicable.

Furthermore, depending on the findings during the risk assessment, the BVI ITA will decide whether a Full Compliance Inspection or a Partial Compliance Inspection is necessary. A Full Compliance Inspection covers all CRS compliance aspects, while a Partial Compliance Inspection focuses on specific areas posing a risk of non-compliance with CRS regulations.

New CRS Form:

The BVI ITA announced the introduction of an additional CRS reporting obligation in the BVI, the CRS form (snapshots of the draft form can be found within the BVI ITA slide deck, [here](#)). The questions in the CRS form differ for Reporting and Non-Reporting FIs. Notably, the form contains several questions mandating that the FI describe how it complies with the CRS obligations. Both Reporting and Non-Reporting FIs will be required to complete this CRS form annually. Although the BVI ITA did not specify a submission deadline for this new form, based on the webinar, it is expected that the form will be available beginning June 2025, indicating that the deadline will not coincide with the CRS reporting deadline of May 31st.

KPMG advises BVI FIs and their governing bodies to review their CRS policies and procedures to ensure that they are aligned with the updates highlighted by the BVI ITA. Importantly, FIs should ensure that the CRS policies are being consistently applied to maintain compliance.

Reference: [BVI ITA Presentation Slides](#)

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