



KPMG AEOI Updates & Tracking Service CRS Alert



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Bahamas: Issued Guidance on Undocumented Accounts

On 11 July 2025, the Bahamas Competent Authority issued guidance outlining the classification, due diligence obligations, and reporting requirements for Undocumented Accounts under the Common Reporting Standard (CRS). Effective immediately, Reporting Financial Institutions (RFIs) are required to report Undocumented Accounts.

An Undocumented Account generally arises when an RFI is unable to obtain sufficient information from a Pre-existing Individual Account Holder to determine the account holder's tax residency. Only a Pre-existing Individual Account may be classified as Undocumented Account; Entity accounts and New Individual Accounts cannot be classified as Undocumented Accounts.

If the only indicia associated with a Pre-existing Individual Account is a "hold mail" or "in-care-of" address in a Reportable Jurisdiction, and no other indicia are found, RFIs must apply the special due diligence procedures outlined below. If these procedures do not determine the Account Holder's tax residency, the RFI should classify such accounts as Undocumented and report it to the Competent Authority.

Special Due Diligence Procedures:

- **Pre-existing Individual Lower Value Accounts:** RFIs must conduct an electronic record search. Following the search, if only a "hold mail" or "in-care-of" address in a Reportable Jurisdiction is identified, and no other indicia are found, RFIs must:

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- Conduct a paper record search, or
- Seek to obtain a valid-self certification or documentary evidence to determine the account holder's tax residency.

These procedures do not need to be repeated in subsequent years, unless there is a change in circumstances or the account becomes High Value.

- **Pre-existing Individual High Value Accounts:** RFIs must conduct an enhanced review, including an electronic record search, paper record search, and a relationship manager enquiry. Following the review, if only a "hold mail" or "in-care-of" address in a Reportable Jurisdiction is identified, and no other indicia are found, the RFI must seek to obtain a valid self-certification or documentary evidence. These procedures must be reapplied annually until the account ceases to be undocumented.

Monitoring by the Competent Authority:

The Competent Authority will monitor and analyze the reporting of Undocumented Accounts, including:

- Maintaining a list of RFIs that have reported Undocumented Accounts;
- Tracking the number and percentage of Undocumented Accounts reported by each RFI relative to their total account reporting; and
- Compiling and comparing this information annually across reporting cycles.

This data will support risk assessments and compliance oversight and will inform any follow-up activities with the RFIs.

Follow Up Procedures:

- The Competent Authority may contact RFIs to confirm their understanding of the term "Undocumented Account" under CRS. Where an RFI is unclear, the Competent Authority will provide clarification and guidance.
- RFIs are expected to apply the due diligence procedures described above and maintain proper documentation of the activities performed.
- The Competent Authority will follow up with all RFIs that have reported Undocumented Accounts and may conduct audit checks through the Designated Supervisory Authorities to ensure:
 - RFIs correctly understand the criteria for reporting Undocumented Accounts, and

- Due diligence procedures have been appropriately conducted and documented.

Reference: [Guidance](#) [PDF 221KB]

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For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

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