KPMG AEOI Updates & Tracking Service CARF/CRS Alert

Date:	09 September 2025	**Alert Type:**	Announcement
Country:	Canada	**Regime:**	CARF/CRS

Canada: Issued Public Consultation on the Implementation of the CARF and Amendments to the CRS

On 15 August 2025, the Ministry of Finance and Canada Revenue Agency (CRA) issued a public consultation on draft legislative proposals to implement the OECD's Crypto-Asset Reporting Framework (CARF), along with related amendments to the Common Reporting Standards (CRS), as outlined in Budget 2024. The consultation will remain open until 12 September 2025.

Implementation of the CARF:

Under the CARF, a new annual reporting obligation will be introduced into the Canadian Income Tax Act. This requirement will apply to Crypto-Asset Service Providers (CASPs), including entities and individuals who either reside in Canada or carry on business within the country and facilitate crypto-asset exchange transactions. CASPs such as crypto exchanges, brokers, dealers, and operators of crypto-asset automated teller machines will be required to report to the CRA, the annual value of the following, for each customer and each crypto-asset::

- Exchanges between crypto-assets and fiat currencies;
- Exchanges between different crypto-assets;

CASPs must report transfers of crypto-assets, including cases where they process payments on behalf of merchants and where customers transfer crypto-assets in exchange for goods or services valued over US$50,000.Additionally, CASPs will be required to collect and report comprehensive customer information, including:

- Full name;
- Address;
- Date of birth;

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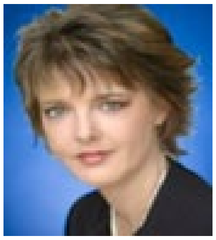

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- Jurisdiction(s) of residence; and
- Taxpayer Identification Numbers (TINs) for each jurisdiction of residence.

Where customers are corporations or other legal entities, CASPs must also collect and report the same information for the controlling persons of those entities. Notably, reporting obligations will apply to both Canadian resident and non-resident customers.

Amendments to the CRS:

Aligned with the CARF, the amended CRS would introduce several changes to the domestic framework, including the following:

- Expanding the scope of the CRS to cover central bank digital currencies and specified electronic money products,such as digital representations of fiat currencies,which are not reportable under the CARF;
- Aiming to reduce duplication in reporting between the CARF and the CRS by ensuring effective coordination between the two frameworks;
- Enhancing reporting requirements for financial accounts and account holders; and
- Strengthening due diligence obligations for Reporting Financial Institutions (FIs).

The proposed legislative changes are scheduled to take effect for the 2026 reporting year, with first reporting and exchange of information under the CARF and the amended CRS expected to occur in 2027, based on 2026 data.

The Ministry invites all interested Canadians and stakeholders to share their feedback on the draft legislative proposals by emailing consultation-legislation@fin.gc.ca.

Reference: Press Release

For information on KPMG's global AEOI network professionals, please email GO-FM AEOI Program Support.

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
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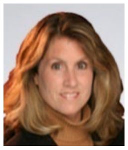
Contact us



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