

KPMG AEOI Updates & Tracking Service CARF Alert



Date:	31 December 2025	Alert Type:	Document
Country:	Cayman Islands	Regime:	CARF
Document Type:	Other Guidance		

Cayman Islands: Issued Quick Guide on CARF

On 08 December 2025, the Cayman Islands Tax Information Authority issued a quick guide on the Crypto-Asset Reporting Framework (CARF), implemented under Cayman Islands domestic legislation through the *Tax Information Authority (International Tax Compliance) (Crypto-Asset Reporting Framework) Regulations, 2025* (found [here](#)). These regulations are scheduled to take effect on 01 January 2026.

The key updates to the guide:

— Scope of the CARF Requirements

The CARF requirements apply to Cayman Reporting Crypto-Asset Service Providers (RCASPs), which include entities or individuals such as crypto-asset exchanges, brokers, dealers in Relevant Crypto-Assets, and operators of Relevant Crypto-Asset ATMs. These providers, as part of their business activities, facilitate transactions involving Relevant Crypto-Assets for or on behalf of customers (crypto-asset users).

Under the CARF Regulations, a Cayman RCASP is defined as:

- An RCASP resident in the Cayman Islands (excluding its branches outside the Cayman Islands); or
- A branch in the Cayman Islands of an RCASP that is not resident in the Cayman Islands.

For CARF purposes, a Relevant Crypto-Asset excludes Central Bank Digital Currencies (CBDCs), Specified Electronic Money Products (SEMPs), and any crypto-asset that the RCASP has determined cannot be used for payment or investment purposes.

Cayman Islands Contacts:



David Conen
Partner
dconen@kpmg.ky



Gautam Ganeshan
Partner
gautamganeshan@kpmg.ky

— Due Diligence and Reporting Requirements

Effective 01 January 2026, RCASPs must follow the due diligence procedures outlined in the CARF Regulations. These procedures build upon the self-certification process established under the CRS and are aligned with existing AML/KYC requirements. RCASPs are required to identify reportable crypto-asset users, determine their reportable tax jurisdictions, and collect the necessary information for CARF reporting.

RCASPs must report specified information to the Department for International Tax Cooperation (DITC) through the electronic portal on an annual basis. Reports must be submitted by 30 June of the year following the reportable year, with the first reporting deadline set for 30 June 2027 for the 2026 calendar year.

RCASPs will be required to report:

- Identification details of crypto-asset users and their beneficial owners; and
- Details of transactions involving Relevant Crypto-Assets, including:
 - The name of the crypto asset;
 - The amount paid or received;
 - The number of units;
 - The total number of transactions;
 - The number of units and total value of transfers executed by an RCASP on behalf of a crypto-asset user to wallets not associated with a virtual asset service provider or a financial institution (FI).

Transactions must be aggregated by asset type and reported separately for acquisitions and disposals. They are categorized as follows:

- Exchanges between Relevant Crypto-Assets and fiat currencies;
- Exchanges between different types of Relevant Crypto-Assets;
- Transfers of Relevant Crypto-Assets, including reportable retail payment transactions.

Transactions may also be classified by transfer type, such as:

- Airdrops;
- Income from staking (or forging);
- Income from crypto loans;
- Other categories.

All pre-existing RCASPs must register with the DITC by 30 April 2026. New RCASPs must register by 31 January of the year following the calendar year in which they qualify as RCASPs.

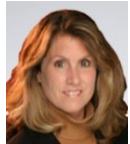
Reference: [Quick Guide](#) [PDF 282KB]

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 Insights page, [here](#).

Contact us



Laurie Hatten-Boyd
Principal
T: +1 213 206 4001
E: lhattenboyd@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



Kelli Wooten
Principal
T: +1 404 739 5888
E: kwooten@KPMG.com

Learn about us:



[kpmg.com](#)

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS010555-1A

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.