



# KPMG AEOI Updates & Tracking Service

## CARF Alert



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### Jersey: Issued Guidance on Common Errors in 2024 FATCA and CRS Reporting

On 18 February 2026, the Government of Jersey issued guidance highlighting common errors identified in 2024 FATCA and CRS reporting. Below are the common errors and steps to mitigate them:

- **Timely notification by Passive Non-Financial Entities (NFEs) or Non-Financial Foreign Entity (NFFE) of changes to Controlling Persons and distributions made:** Passive NFEs often fail to notify Financial Institutions (FIs) in a timely manner when Controlling Persons are added, removed, and/or when distributions are made to beneficiaries. To mitigate this, Passive NFEs must promptly inform the FIs with which they maintain financial accounts of any changes relating to their controlling persons, including additions, removals, or updates to relevant details, such as name, residence, or tax identification number (TIN). Passive NFEs must also notify FIs of any distributions made to beneficiaries, as these may affect the identification and reporting of Controlling Persons. FIs should also ensure that their onboarding, periodic review, and event-driven review processes are designed to capture these updates. Failure by a Passive NFE to provide timely updates, or by an FI to maintain most up to date records, will affect the completeness and accuracy of CRS reporting.
- **Reporting levels in the case of a Trustee-Documented Trust ('TDT'):** TDTs are sometimes omitted from reporting where the trustee is a Reporting FI filing on behalf of the trust. To mitigate this, TDTs should continue to be reported at the trust level, using the trust's name or the Reporting FI's credentials. FIs acting as trustee should ensure that each trust for which they act as trustee

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is recorded separately under the “ReportingFI Name”. Further, as clarified in the Practical Guidance Notes (found [here](#)), a reporting FI or a TDT is not relieved of its reporting obligations if it does not appear in the ReportingFI element of the report.

- **Inclusion of Passive NFE domestic trusts and their controlling persons:** A Passive NFE that is a Jersey-resident account holder is often incorrectly omitted from the reporting, and instead its controlling persons are reported directly as account holders of the FI. To mitigate this, where a Jersey resident entity is classified as a Passive NFE and holds an account with the Reporting FI, the entity itself must be reported as the account holder under the CRS101 AccHolderType category, and its reportable controlling persons should be reported as such. If there are no reportable controlling persons, the Jersey resident Passive NFE becomes non-reportable.
- **Nil reporting vs zero account balance:** FIs often submit nil returns despite having reportable account holders, on the basis that the account balance is zero or that no activity occurred during the reporting period. A nil return should be filed only where no reportable account holders are identified for the reporting period following the application of the CRS due diligence procedures. Where a reportable account holder is present, a complete return is required irrespective of the account balance or level of activity. While nil returns are voluntary in Jersey, FIs are encouraged to submit nil returns where no reportable account holders exist.
- **Expectations in cases of closed accounts or liquidations of Reporting FIs:** Reporting FIs often file nil returns upon liquidation without reporting the final closure details of the account holders. To mitigate this, when an FI ceases operations or enters liquidation, the final report must include all accounts that were active up to the date of closure. In the final year of reporting, the AccountClosed indicator should be marked as “TRUE”, and any final payments made to reportable account holders must be reported in the Payment section of the return.
- **Amending reports at record level:** Entire OECD1/FATCA1 files are often voided when only specific account-level corrections were necessary, resulting in loss of previously valid records. To mitigate this, corrections should be submitted at the record level using the same DocRefID for continuity. Only the records requiring amendment should be included in the correction file, and all controlling persons linked to the same DocRefID must be re-included in the correction file, even if their details remain unchanged, as they relate to the same record level. Where changes affect an entire controlling person record, a void should be submitted first for the previously submitted record, followed by the submission of a new return containing the corrected details. An amended report is appropriate only where a specific field

within an existing record needs correction (e.g. a Controlling Person's postcode or an account balance of an account holder). Where an entire record is replaced, or tax residency details are changed, the correct process is to void the original record and submit a new report reflecting the updated information.

**Calculation of unrealised gains for the purpose of the income test for classification purposes:** FIs often treat unrealised gains or other fair value movements as "income" for the CRS income test solely because such movements are reflected in the profit and loss account. This may result in unintended classification volatility despite no income or assets being received by the entity. To mitigate this, unrealised gains should not be treated as income in substance for CRS income test purposes, as no realization event has occurred and no money or assets have been received. Accordingly, unrealised fair value movements should be excluded from gross income when applying the CRS income test, regardless of whether they are recognised in the statement of comprehensive income. Both received and accrued income should be taken into account in applying the income test; however, only realised gains should be taken into account for this purpose.

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Reference: [Guidance on FATCA/CRS Common Errors](#) [PDF 153KB]

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

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