



KPMG AEOI Updates & Tracking Service

CRS Alert



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United Kingdom: Issued Updates to the International Exchange of Information Manual

On 29 April 2026, His Majesty's Revenue and Customs (HMRC) of the United Kingdom updated its International Exchange of Information Manual (IEIM). The key updates are as follows:

— **Expansion of Financial Institutions (FIs) (IEIM400620):**

In line with paragraph 4 of the Commentary on Section VIII of the OECD Common Reporting Standard (CRS) (found [here](#)), any Limited Partnership formed in the UK, or any Limited Liability Partnership incorporated in the UK, is now considered a UK FI.

This update does not apply retroactively. Accordingly, entities that become UK FIs as a result of this update must register with HMRC's Automatic Exchange of Information (AEOI) service by 31 January 2027.

— **Change of Product Status (IEIM401563):**

A new clarification confirms that the status of a product, such as a specified electronic money product (SEMP), if determined at the beginning of a calendar year or at the time of its launch during the year, will remain unchanged throughout that year.

— **Application of Penalties (IEIM405100):**

A new paragraph clarifies that penalties are not applied automatically. HMRC will first review the facts and circumstances that led to the non-compliance to determine whether a reasonable excuse exists.

United Kingdom Contacts:



Peter Grant
Partner
Peter.Grant@KPMG.co.uk



Rohini Sanghani
Partner
Rohini.Sanghani@KPMG.co.uk

Where a reasonable excuse is established, no penalty will be imposed. In certain circumstances, HMRC may also reduce the penalty, where appropriate.

— **Penalties for Failure to Obtain Valid Self-certifications (IEIM405116):**

Additional information has been included regarding the application of penalties for failure to obtain valid self-certifications in respect of pre-existing and new accounts:

— **Pre-existing accounts:**

A valid self-certification is not required for 'pre-existing individual accounts' under the due diligence requirements. Accordingly, penalties for failure to obtain a valid self-certification do not apply to such accounts.

However, for certain 'pre-existing entity accounts' and their controlling persons, a valid self-certification is required. Where non-compliance with this requirement occurs on or after 16 July 2025, a penalty may apply under Regulation 22A(2) of the *International Tax Compliance (Amendment) Regulations 2025* (found [here](#)).

— **New accounts:**

The penalty under Regulation 22A(2) will not apply where Reporting Financial Institutions (RFIs) opened new accounts between 01 January 2016 and 15 July 2025 without obtaining a valid self-certification.

However, for reports submitted after 16 July 2025, penalties may still apply for incorrect or incomplete reporting. Examples include:

- Reporting an account without a Tax Identification Number (TIN) or with incorrect tax residence details;
or
- Failing to report account holders due to the absence of a self-certification.

Reference: [International Exchange of Information Manual](#)

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Contact us



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



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

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