KPMG AEOI Updates & Tracking Service CRS Alert

Date:	09 July 2026	**Alert Type:**	Document
Country:	Isle of Man	**Regime:**	CRS
Document Type:	Guidance		

Isle of Man: Updated CRS Guidance Reflecting the OECD's CRS 2.0

On 18 June 2026, the Income Tax Division of the Isle of Man Government issued Version 6 of its Common Reporting Standard (CRS) Guidance. The update reflects the OECD's 2023 amendments to the CRS (CRS 2.0), which were incorporated into the Isle of Man's domestic legislative framework through the *Income Tax (Common Reporting Standard) Regulations 2025* (found here), effective from 01 January 2026.

The first reporting under CRS 2.0 is due on 30 June 2027 and will cover the 2026 reporting period.

Notably, Reporting Financial Institutions (RFIs) are not required to assess whether the Isle of Man's reportable jurisdictions have implemented CRS 2.0 within the same timeframe as the Isle of Man. For reporting purposes, RFIs must comply with the requirements of CRS 2.0 regardless of whether a reportable jurisdiction has incorporated CRS 2.0 into its domestic legislative framework.

Under CRS 2.0, RFIs are required to report additional information, including:

- Confirmation of whether a valid self-certification has been obtained for account holders and Controlling Persons of reportable accounts;
- Identification of the type of financial account, including an indication of whether the account is a Pre-existing Account or a New Account.

Isle of Man Contacts:

Hamish Crake
Director
hcrake@kpmg.com

Clare Kelly
Senior Manager
clarekelly@kpmg.co.im

For CRS 2.0 purposes, an account is considered a New Account if it is opened on or after 1 January 2026 (Section 3.3.1);

- An indication of whether the account is a joint account and, if so, the number of joint account holders;
- Details of the roles under which each Reportable Person qualifies as a Controlling Person of an Entity Account; and
- Details of the roles under which a Reportable Person is considered an Equity Interest Holder in an Investment Entity.

Transitional provisions apply to Reportable Accounts maintained by RFIs as of 31 December 2025 and will remain in effect until the end of the second reporting year following that date. During this transitional period, information concerning the roles of Controlling Persons or Equity Interest Holders is required to be reported only if such information is available in the RFI's electronic records.

The key updates include:

- **Nil Reporting Requirements (Section 3.4.2):**

  RFIs with no reportable accounts may now elect to file a nil return through the Information Providers' Service (found here), representing a change from the previous position under which no reporting was required where there were no reportable accounts.

- **Treatment of Discretionary Beneficiaries (Section 3.5.4)**:

  Specific guidance has been introduced for RFIs maintaining trust accounts, permitting them not to report a discretionary beneficiary as a Controlling Person where the trust has confirmed that no distributions have been made to that beneficiary. In the absence of such confirmation, however, RFIs must continue to treat the discretionary beneficiary as a Controlling Person and report them where they are a Reportable Person.

  Additionally, RFIs must ensure that trusts completing self-certifications disclose all Controlling Persons, including discretionary beneficiaries, regardless of whether they have received distributions or exercised control over the trust.

- **Enhanced Due Diligence Requirements:**

  - **Stricter Rules for Self-Certifications for New Accounts (Section 5.3.1):**

    Under the Isle of Man CRS framework, the exceptional circumstances recognized in Section VII (Special Due Diligence Rules) of the OECD CRS Commentary (found here), which permit the use of a "Day 2" process for obtaining and validating self-certifications, apply only to Isle of Man Specified Insurance Companies. All other RFIs are required to obtain and validate self-certifications at the time of account opening.

- **Reasonableness of Self-Certifications (Section 5.3.4):**

  Where an RFI knows, or has reason to believe, that a self-certification is incorrect, it must verify the reasonableness of the declarations contained in the self-certification using documentation obtained through Anti-Money Laundering/Know Your Customer (AML/KYC) procedures.

- **Dual Residence (Section 5.3.5):**

  Effective 01 January 2026, individual account holders with tax residence in more than one jurisdiction will no longer be permitted to rely on tie-breaker rules to select a single jurisdiction of tax residence. Accordingly, self-certification forms must allow account holders to declare all jurisdictions of tax residence.

- **Requirement to Obtain Tax Identification Numbers (TINs) and Dates of Birth (DOBs) (Section 5.9.7):**

  RFIs must make reasonable efforts to obtain TINs and DOBs for reportable Pre-existing Accounts whenever they update account information as part of AML/KYC procedures.

- **Expanded Scope under CRS 2.0:**

  - **Expansion of Reportable Financial Assets (Section 4.2):**

    The scope of reportable financial assets has been expanded to include interests in Relevant Crypto-Assets.

  - **Depository Institutions (Section 5.9.13):**

    The definition of Depository Institutions has been expanded to include entities that maintain Specified Electronic Money Products (SEMPs) and Central Bank Digital Currencies (CBDCs) on behalf of customers.

    Additionally, Depository Accounts now explicitly include holdings in SEMPs and CBDCs.

- **Exemption from Duplicate Gross Proceeds Reporting (Section 5.9.8):**

  For clearly defined groups of accounts, RFIs are not required to report gross proceeds from the sale, redemption, or surrender of financial assets where those proceeds are already reported under the Crypto-Asset Reporting Framework (CARF). However, RFIs may choose to report them voluntarily.

- **Non-Reporting Financial Institutions (NRFIs):**

- **Qualified Non-Profit Entities (QNPEs) (Section 5.9.12):**

  While CRS 2.0 introduces QNPEs as an optional category of Non-Reporting Financial Institutions (NRFIs), the Isle of Man has not adopted this category in its domestic framework.

- **Transition to CRS XML Schema v3.0 (Section 7.2.2):**

  The Isle of Man anticipates implementing CRS XML Schema v3.0 (found here) between October and November 2026. Once implemented, the updated CRS XML Schema will apply to all reporting years. As a result, RFIs will be required to submit all CRS reports, including new reports, corrections, and deletions, using CRS XML Schema v3.0.

  For submissions relating to prior reporting years, however, the new data fields (such as confirmation of whether a valid self-certification has been obtained) may be reported as "not reported."

The guidance also introduces a new Section VII in the Appendix to reflect the key changes under CRS 2.0, in line with the OECD's CRS Commentary.

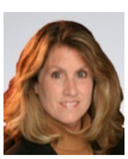
Reference: CRS Guidance [PDF 1,841KB]

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/CRS/CARF Insights page, here.

Contact us



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

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

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

Learn about us: **kpmg.com**

© 2026 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.