KPMG AEOI Updates & Tracking Service CARF Alert

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Singapore: Publishes First Edition of CARF e-Tax Guide

On 11 August 2026, the Inland Revenue Authority of Singapore (IRAS) issued the first edition of its Crypto-Asset Reporting Framework (CARF) e-Tax Guide, in line with the *Income Tax (International Tax Compliance Agreements) (Crypto Asset Reporting Framework) Regulations 2026* (found here), which implement CARF into Singapore's domestic framework with effect from 1 January 2027. The first CARF reporting, for Reporting Year 2027, is due by 31 May 2028.

The e-Tax Guide follows the publication of IRAS's information sheet on 31 July 2026, which provided a high-level overview of the key obligations for Reporting Singaporean Crypto-Asset Service Providers (RSGCASPs) under CARF (see here for a KPMG alert on the key due diligence and reporting obligations of RSGCASPs).

In addition to elaborating on the due diligence and reporting obligations of RSGCASPs, the e-Tax Guide introduces the following key updates:

— **Scope of the CARF Requirements:**

The CARF requirements apply to RSGCASPs that have a Singapore nexus through tax residence, incorporation or organization under Singapore law, legal personality in Singapore, an obligation to file an income tax return in Singapore, management in Singapore, a regular place of business in Singapore, or a Singapore branch through which Relevant Transactions are effectuated.

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Beginning with the 2027 reporting period, RSGCASPs, will be required to comply with the due diligence procedures and reporting requirements set out in the CARF Regulations.

However, an RSGCASP that has already fulfilled its CARF due diligence and reporting obligations in another Partner Jurisdiction where it has a similar nexus as in Singapore will be exempt from duplicative obligations in Singapore. This exemption applies provided that the RSGCASP notifies the Comptroller annually, by 31 May of the year following the relevant reporting year, that it has completed the required due diligence and reporting in the Partner Jurisdiction.

- **Relevant Crypto-Assets:**

  For CARF purposes, Relevant Crypto-Assets may include, for example:

  - Crypto tokens that enable users to store value and make payments;
  - Tokens representing rights to property;
  - Derivatives issued as crypto-assets;
  - Security tokens; and
  - Certain non-fungible tokens (NFTs) that represent rights to collectibles, gaming assets, works of art, physical property, or financial instruments.

  Notably, Relevant Crypto-Assets exclude central bank digital currencies (CBDCs), specified electronic money products (SEMPs), and any crypto-assets that cannot be used for payment or investment purposes.

- **Registration Requirements:**

  IRAS is currently developing the CARF registration and reporting system, which will be accessible through myTax Portal. RSGCASPs can expect further updates by the end of the year, including on the registration and reporting framework.

  An entity that becomes an RSGCASP during a calendar year must register with IRAS by 31 March of the following calendar year. Registration applications must include details of the RSGCASP's points of contact (POCs) for CARF matters.

  Failure to fulfill the registration obligation within the prescribed timeframe constitutes an offence under Section 105M(1) of the Income Tax Act 1947.

- **Nil Reporting Requirement:**

RSGCASPs that have not effectuated any Relevant Transactions for Reportable Users during a reporting year are required to submit a nil return to IRAS.

This requirement does not apply to RSGCASPs that qualify for the Partner Jurisdiction exemption and have submitted the required notification to IRAS.

- **Excluded Persons:**

  For CARF purposes, the following categories of entities are considered Excluded Persons:

  - Entities, or related entities, whose stock is regularly traded on one or more established securities markets;
  - Governmental entities;
  - International organizations;
  - Central banks; or
  - Financial Institutions (FIs), other than Type B Investment Entities (i.e entities that derive their gross income from investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets and are managed by an FI).

  The obligation of RSGCASPs to identify the Controlling Persons of Entity Crypto-Asset Users does not apply to entities that qualify as Excluded Persons.

- **Reliance on Third-Party Service Providers:**

  RSGCASPs may engage third-party service providers or agents to perform CARF due diligence and reporting obligations on their behalf. Upon request, these service providers or agents must provide the RSGCASP with all records, documentary evidence, and information used in carrying out such obligations.

  Notwithstanding the appointment of a third-party service provider or agent, these due diligence obligations remain the responsibility of the Reporting SGCASP, and any due diligence failures will be the responsibility of the Reporting SGCASP.

- **Reporting Format and Submission:**

  CARF returns must be prepared using the prevailing OECD CARF XML Schema (available on the IRAS website, here). RSGCASPs may consolidate information relating to all Reportable Users into a single CARF return and are not required to submit separate returns for each Reportable Jurisdiction.

  IRAS is currently developing an IRAS CARF Return XML Schema User Guide, which will provide further guidance on the reporting format and submission process. RSGCASPs can expect further updates by the end of the year.

— **Record-Keeping Requirements:**

RSGCASPs must retain records relating to customer identification, due diligence procedures, self-certifications, and transaction information for a minimum period of five years.

External wallet addresses associated with reportable transfers must also be retained for at least five years, even though such wallet addresses are not required to be reported to IRAS.

— **Deregistration Requirements:**

Where an RSGCASP is being liquidated or ceases the activities that caused it to qualify as an RSGCASP, it is required to file a final CARF return during the same year of liquidation or cessation (referred to as the Advance Reporting Year). The final return must include information on any Relevant Transactions carried out for Reportable Users during that year. Alternatively, if no such transactions are undertaken, the RSGCASP must submit a nil return.

The RSGCASP is not required to wait until the following year to file the final return. Once the final CARF return, or nil return, has been submitted, the RSGCASP may apply for deregistration from CARF.

The e-Tax Guide also includes a glossary that consolidates key terms and concepts relevant to CARF.

Reference: Guidance Note (First Edition) [PDF 655KB]

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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.

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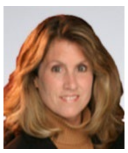

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