



Industry symposium Common Reporting Standard and AEOI

Operationalizing CRS – Compliance in Practice

22 April 2026



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Introduction



Tomás Machado

Partner, Head of Tax - Bahamas
KPMG Islands Group



Giovanni Canton

Associate Director, Tax
KPMG Islands Group

01

CRS peer review and next steps

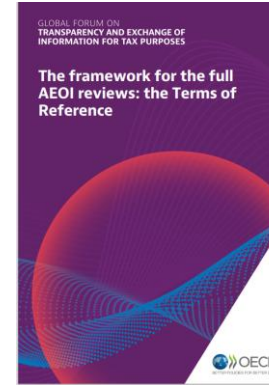


OECD CRS Peer Review process

Properly implementing the AEOI Standard requires various legal, technical and operational aspects to be put in place and for them to operate effectively in practice.

The OECD has designed and already conducted a range of peer review processes specifically suited to assess each area of the AEOI. The AEOI peer review has been designed in three waves:

1. Assessments of **confidentiality and data safeguards** frameworks,
2. Reviews of the domestic and international **legal frameworks** in place, and
3. Reviews of the **effectiveness of the implementation of the AEOI Standard in practice**.



The document *The framework for the full AEOI reviews: the Terms of Reference* ("Terms of Reference") sets out the Core Requirements ("**CR**") and the sub-requirements ("**SR**") against which jurisdictions will be evaluated both with respect to their legal framework and their effectiveness in practice of the CRS.



In 2022, the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes released a peer review report that provided an updated assessment of the existing legal framework and an initial evaluation of the third wave of peer review processes, focusing on how jurisdictions are effectively enforcing the CRS. There are two CRs in the Terms of Reference document with respect to the reviews of the effectiveness in practice of the CRS:

CR 1 Effectiveness in practice: Jurisdictions should ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures, which includes a requirement for jurisdictions to have in place an administrative framework to ensure the effective implementation of the CRS

Non-Compliant

CR2 Effectiveness in practice: Jurisdictions should exchange the information effectively in practice, in a timely manner, including by sorting, preparing, validating and transmitting it in accordance with the AEOI Standard.

On track

AEOL Terms of Reference

⚠ CR1 Effectiveness in practice

“ Jurisdictions should ensure that in practice Reporting Financial Institutions correctly implement the due diligence and reporting procedures, which includes a requirement for jurisdictions to have in place an administrative framework to ensure the effective implementation of the CRS. ”

SR 1.5

Jurisdictions should ensure that in practice Reporting Financial Institutions identify the Financial Accounts they maintain, identify the Reportable Accounts among those Financial Accounts, as well as their Account Holders, and where relevant Controlling Persons, by correctly conducting the due diligence procedures and collect and report the required information with respect to each Reportable Account. This includes having in place:

SR 1.5.1

an effective **administrative compliance framework** to ensure the effective implementation of, and compliance with, the CRS.

SR 1.5.4

strong measures to ensure that valid self-certifications are always obtained for New Accounts;

SR 1.5.2

effective **procedures** to ensure that Financial Institutions, persons or intermediaries do not circumvent the due diligence and reporting procedures;

SR 1.5.5

effective procedures to ensure that each, or each type of, jurisdiction-specific Non-Reporting Financial Institution and Excluded Account continue to present a low risk of being used to evade tax; and

SR 1.5.3

effective **enforcement mechanisms to address noncompliance** by Reporting Financial Institutions;

SR 1.5.6

effective procedures to follow up with a Reporting Financial Institution when undocumented accounts are reported in order to establish the reasons why such information is being reported.

SR 1.6

Jurisdictions should collaborate on compliance and enforcement. This requires jurisdictions to:

SR 1.6.1

use all appropriate measures available under the jurisdiction's domestic law to address errors or non-compliance notified to the jurisdiction by an exchange partner, as referred to in Section 4 of the Model CAA; and

SR 1.6.2

have in place effective procedures to notify an exchange partner of errors that may have led to incomplete or incorrect information reporting or non-compliance with the due diligence or reporting procedures by a Reporting Financial Institution in the jurisdiction of the exchange partner, as referred to in Section 4 of the Model CAA.

No recommendations were raised by the OECD in the 2022 interim peer review report regarding SR1.6. All recommendations pertain to requirement SR1.5.

2022 Effectiveness in practice review – Interim report

 **The 2022 OECD Peer Review**

In 2022, the OECD determined The Bahamas' "effectiveness of AEOI in practice" to be non-compliant. The following issues were identified:

- The Bahamas lacks a **comprehensive understanding** of its **population of Financial Institutions**.
- It is unclear if **adequate resources** have been allocated to **monitor** and **ensure compliance** of **Reporting Financial Institutions**.
- **Verification activities** for Reporting Financial Institutions have **not been planned or carried out** yet.
- There is room for improvement with respect to **validating** the data and **following up** with issues when files are **rejected**.
- Procedures for **applying penalties and sanctions** for non-compliance are **not well established**. The Bahamas does **not** seem to **monitor** or **follow up on undocumented accounts** effectively.

 **The OECD's Recommendations**

- ✓ Develop a **comprehensive compliance strategy**, informed by a **risk assessment** using a range of relevant information sources.
- ✓ Allocate **adequate resources** for compliance activities.
- ✓ Implement processes to **identify** and **verify Reporting Financial Institutions**.
Implement effective procedures to monitor and verify whether Reporting Financial Institutions are **effectively conducting CRS due diligence procedures**
- ✓ Implement procedures to **monitor** and **follow up on undocumented accounts**.
- ✓ Develop systems to **monitor** the reporting of **TINs** and **Dates of Birth**.
Respond to **feedback** from **exchange partners** to improve data **quality** and **accuracy**.
- ✓ Establish and apply **penalties** for **non-compliance**.
- ✓ Develop procedures to ensure **valid self-certifications** are obtained.

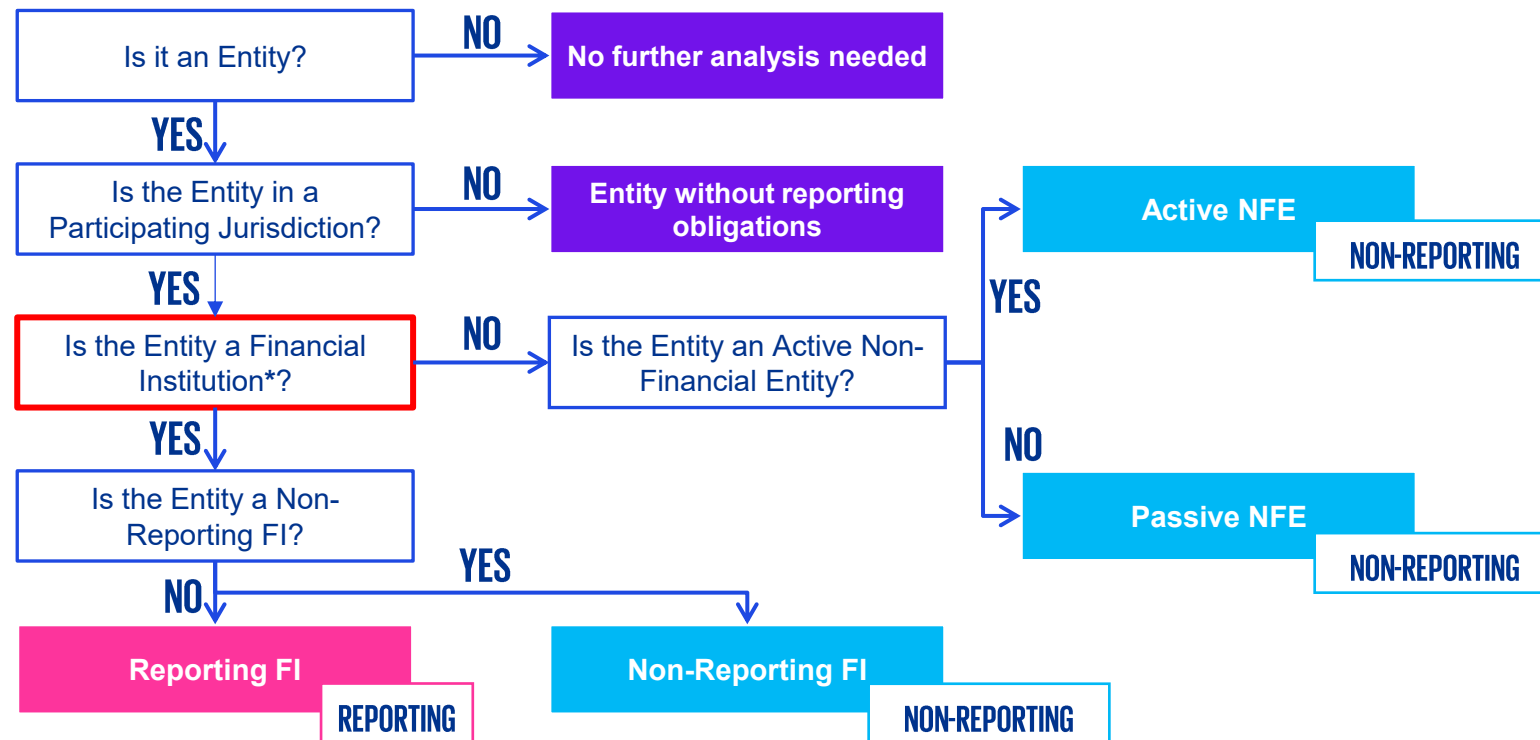
 **Some important consideration**

- The Competent Authority and the Designated Supervisory Authorities have initiated a multi year project to review the recommendations provided by the OECD and systematically address them.
- The OECD peer review of the effectiveness in practice of the CRS is an assessment on the jurisdiction, not on the public institutions, the finance industry or single Financial Institutions.
- Clearly, given the nature of the assessment, the financial services industry constitutes the "first line of defense" to make sure that the CRS framework is implemented effectively in The Bahamas.
- Therefore, the active participation and effort of the entire financial services industry is paramount for the success of this specific review exercise and The Bahamas as a reputable international financial centre.
- Finally, as other speakers at this symposium have noted, although significant effort is currently being devoted to enhancing the design and implementation of The Bahamas' CRS compliance and enforcement programme, the conclusion of this wave of the peer review should not be viewed as an endpoint, but rather as a starting point for further improvements.
- The OECD will periodically review the legislation and the effectiveness in practice of the CRS of each jurisdiction participating to the CRS framework.

02

CRS classification

CRS classification



Financial Institution definitions (1/2)



Depository Institution

The term "Depository Institution" means any Entity that accepts deposits in the ordinary course of a banking or similar business.



Custodial Institution

The term "Custodial Institution" means any Entity that holds, as a substantial portion of its business, **Financial Assets** for the account of others. Subject to 20% gross income test.



Specified Insurance Companies

The term "Specified Insurance Company" means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.



Financial Institution definitions (1/2)



Investment Entity

The term “**Investment Entity**” means any Entity:

- a) that **primarily conducts** as a business one or more of the following activities or operations **for or on behalf of a customer**:
 - i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - ii) individual and collective portfolio management; or
 - iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or
- b) the gross income of which is **primarily attributable to investing, reinvesting, or trading in Financial Assets**, if the Entity is **managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a).**

Examples



Trust companies



Fund managers



Trusts



Funds



Some holding
companies

CRS classification focus areas



CRS classification focus areas

Gross income test

OECD CRS FAQ n. 9, section VIII(A)

For the purposes of the gross income tests to be applied in the context of the definitions of Investment Entity and Custodial Institution all remuneration for the relevant activities of an Entity is to be taken into account, independent of whether that remuneration is paid directly to the Entity to which the test is applied or to another Entity. This issue can also arise in the context of Entities that provide custodial services if the fees for such services are paid to another Entity.

Funds

An Entity would generally be considered an Investment Entity if it functions or holds itself out as a collective investment vehicle, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buy-out fund or any similar investment vehicle established with an investment strategy of investing, reinvesting, or trading in Financial Assets

Paragraph 20, Section VIII of the OECD CRS commentary.

Financial Assets

Financial asset means a security, partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract.

Cash is not a financial asset (OECD, CRS FAQ n. 13, Section VIII(C) - added May 2024)

NFRI

The term Non-Reporting Financial Institution was defined in the CRS Regulations, at article 1, as follows:

- a) a Financial Institution as specified under **subparagraph B(1) of Section VIII** of the Common Reporting Standard; or
- b) an entity under **Regulation 10**.

Article 10 of the CRS Regulations (as amended by act n. 43 of 2024) states that “A Non-Reporting Financial Institution includes an Entity established in The Bahamas, solely for the purposes described in **section VIII C 1(a) of the Common Reporting Standard** which renders investment advice to, and act on behalf of, or manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity”.

In 2026, The Bahamas **removed the jurisdiction-specific Non-Reporting FI category for Investment Managers and Advisors**. As a result, a Bahamas FI is a Reporting FI unless it qualifies as a Non-Reporting FI under subparagraph B(1) of Section VIII of the CRS.



03

Due Diligence



Due diligence procedures

Financial Accounts can be categorized based on the date they were opened. This categorization is very important because it will inform which Due Diligence procedure needs to be used to review these Financial Accounts.

Based on the opening data the CRS Regulations identify the following two categories of Financial Accounts:

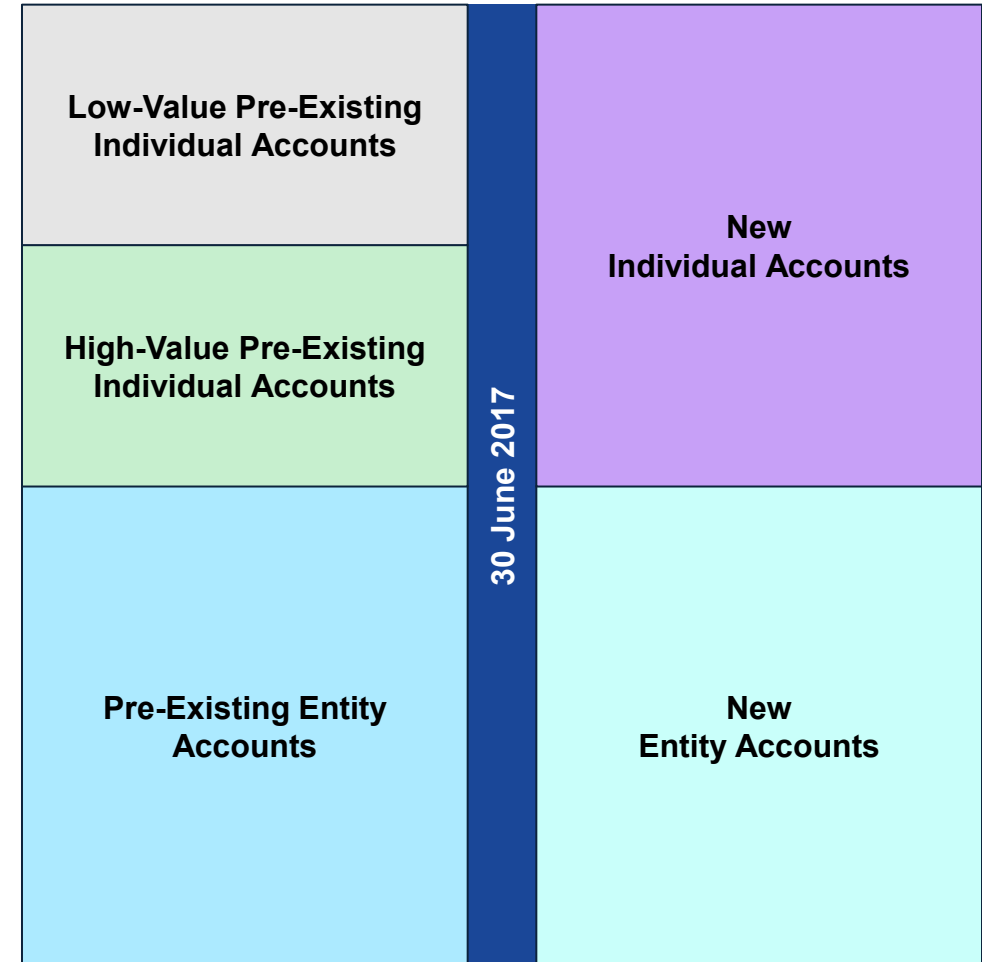
- **Pre-Existing Accounts** – These are the financial accounts maintained by Reporting Financial Institution as of June 30, 2017.
- **New Accounts** - These are the financial accounts opened by Reporting Financial Institution on or after July 1, 2017.

Both Pre-Existing and New Accounts can be further classified based on the type of Account Holder that held the Financial Account (i.e. Individual and Entity).

Finally, the OECD has developed different due diligence procedures for Individual Pre-Existing Accounts based on their balance as at June 30, 2027.

Lower Value Pre-Existing Individual Account is a Pre-Existing Account held by an Individual with a balance that does not exceed US\$1,000,000 as of June 30, 2017.

Higher Value Pre-Existing Individual Account is a Pre-Existing Account held by an Individual with a balance that exceeds US\$1,000,000 as of June 30, 2017 or December 31 of any subsequent year (including 2017).



Due diligence for Pre-Existing Accounts

Low-Value Pre-Existing Individual Accounts	30 June 2017	New Individual Accounts
High-Value Pre-Existing Individual Accounts		
Pre-Existing Entity Accounts		New Entity Accounts

The Due Diligence procedures for pre-existing accounts may vary significantly between individual and entity account and individual high value or low value accounts.

Individual low-value

1. Residence address test (if the RFI decides to apply it)
2. Review electronically searchable data maintained for any indicia

Individual high-value

1. Review electronically searchable data maintained for any indicia
2. Paper record search (if needed)
3. Relationship manager Inquiry

Entity accounts

1. Is the account exempt from review (\$250k or less)?
2. Self-certification been obtained or information obtained / public information identified

Due diligence for New Accounts

Low-Value Pre-Existing Individual Accounts	30 June 2017	New Individual Accounts
High-Value Pre-Existing Individual Accounts		
Pre-Existing Entity Accounts		New Entity Accounts

Any **New Individual Account** that opens a Financial Account is required to provide, **upon account opening**, a **self-certification** which establishes where the individual is resident for tax purposes.

The self-certification can be provided in any form but in order for it to be **valid** the Standard sets out that it must be signed (or otherwise positively affirmed, i.e. involving some level of active input or confirmation) by the Account Holder, be dated, and must include the Account Holder's: name; residence address; jurisdiction(s) of residence for tax purposes; TIN(s) and date of birth.

A Reporting Financial Institution needs to verify the **reasonableness** of the self-certification obtained.

In determining whether a **New Entity Account** is held by one or more Entities that are Reportable Persons, the Reporting Financial Institution may follow the procedures (i.e. obtaining a self-certification and determining the reportable status based on information in its possession or publicly available) **in the order most appropriate under the circumstances**.

FAQ
added
May
2024

27. Reliance on publicly available information

Can Reporting Financial Institutions solely rely on the fact that an Account Holder is included in the FATCA FFI list to reasonably determine that such Account Holder is a Financial Institution pursuant to Section V(D)(1)(b) or Section VI(A)(1)(b)?

No. Section V(D)(1)(b) and Section VI(A)(1)(b) specify that the use of publicly available information is subject to the condition that such information can be relied upon to "reasonably determine" the status of the Entity. While the FATCA FFI list is included as an example in paragraph 12 of Section V of the Commentary, the mere inclusion of an Account Holder on the FATCA FFI list is not sufficient on its own to reasonably determine that such Account Holder is a Financial Institution for CRS purposes.

Due diligence focus areas

The Risk assessment and compliance activities have mainly the final goals of making sure that:

1. Entities are correctly classified for CRS purposes,
2. RFIs develop CRS policy and procedures and conducts due diligence according to the CRS framework, and
3. RFIs reports accurate data for CRS purposes within the relevant deadline.



Due Diligence focus areas

Self certification

- A self-certification should be always obtained upon account opening.
- There are only few instances where the RFI may have more time available to obtain the self-certification.
- The self-certification is central to the CRS framework, therefore not obtaining a valid and reasonable self-certification is not an option for RFIs.
- If an account holder does not want to provide a valid/reasonable self-certification the RFI should consider which measures to take to force the account holder to provide a valid/reasonable self-certification (e.g. closing account, freezing, etc.).

Validity and reasonableness test

Validity of self-certifications

- Must signed and dated; and
- Include as a minimum the following information with respect to the account holder: (i) name, (ii) residential address, (iii) tax residence, (iv) TIN and, if an individual, (v) date of birth.

Reasonableness of self-certification

- Reporting FIs must verify each self-certification against information obtained in connection to the opening of the account and AML/KYC Procedure
- Self-certifications are generally required on an account-by-account basis. Where provided by another person, certain conditions must be met. If the reasonableness test fails, a valid self-certification or supporting explanation and evidence must be obtained.

TIN / Date of birth

- An Account Holder's Tax Identification Number(s) (TIN) and Date of Birth (DOB) (in the case of an individual Account Holder) are required to be collected and reported.
- For Preexisting Accounts, an Account Holder's TIN(s) or DOB is not required to be reported if not already held by the Reporting FI. However, the FI must make reasonable efforts to obtain this information by the end of the second calendar year after the account is identified as reportable. Under CRS 2.0, additional attempts must be made whenever the FI updates the Account Holder's information under AML/KYC procedures.

Due diligence focus areas (cont'd)



Due Diligence focus areas

RBI/CBI Schemes

- CBI/RBI schemes allow individuals to obtain citizenship or residence rights through local investments or against a flat fee for perfectly legitimate reasons, however they can also be potentially misused to circumvent an accurate CRS reporting.
- Reporting FIs should consider OECD guidance on potentially high-risk schemes when assessing the validity and reasonableness of such self-certifications.
- In these circumstances, Reporting FIs should not rely on the self-certification and must undertake further due diligence. Including, asking additional questions (e.g., regarding other residences held, time spent in other jurisdictions, and jurisdictions of tax filing) and obtaining supporting documentation.

Day 2 Procedure

- A self-certification must be obtained and validated on the day an account is opened.
- However, it is acknowledged that in certain business contexts, it may not be feasible to immediately obtain a self-certification (for example, in cases involving assignment of insurance contracts or secondary market acquisitions of investment trust shares).
- In these cases, the Reporting FI may obtain the self-certification and complete the relevant due diligence procedures within 90 days of account opening.

Preexisting Accounts – Evidence

- RFIs need to maintain records of the due diligence that they have conducted on pre-existing accounts for a period of 6 years from the last day on which the account was closed.
- In general, RFIs should maintain appropriate records that demonstrate what kind of due diligence has been done on a certain account holder, documents reviewed, information received, etc.

04

CRS reporting



Reportable Accounts

A Financial Account maintained by a Reporting Financial Institution is defined as **Reportable Account** if the account is held by one or more **Reportable Persons** or by a Passive Non-Financial Entity with one or more Controlling Persons that is a **Reportable Person**.

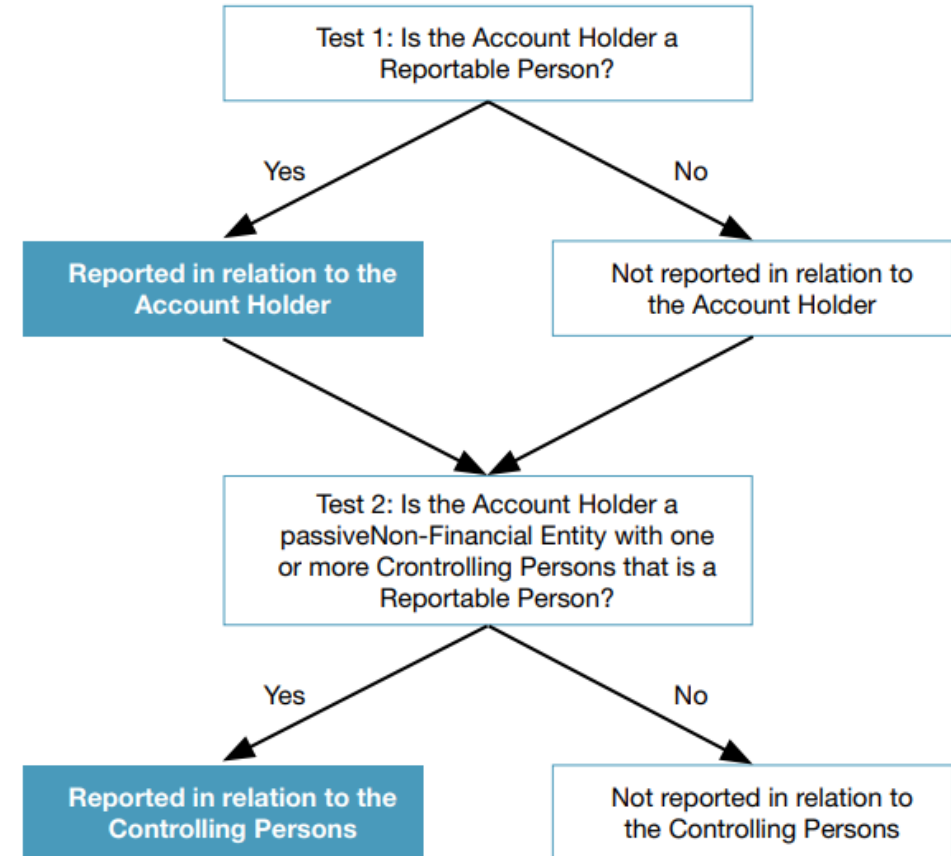
In other words, to determine whether a Financial Account is reportable the Reporting Financial Institution should check whether the account meets any of the following two tests:

1. The first test is in relation to the **Account Holder**,
2. The second test is in relation to the **Controlling Person(s)** of the Account Holder.

A Reporting Financial Institution determines whether a Financial Account is a Reportable Account following the execution of the relevant Due Diligence procedures.

As mentioned in our previous training, Excluded Accounts are not subject to due diligence and reporting requirement.

An account is treated as a Reportable Account **beginning as of the date it is identified as such**, based on the due diligence procedures performed, and it maintain its status until the date it **ceases to be a Reportable Account**.



Source: Figure 9, OECD (2018), *Standard for Automatic Exchange of Financial Information in Tax Matters - Implementation Handbook – Second Edition*, OECD, Paris.

Document Classification: KPMG Confidential

CRS Reporting - Overview

Identification information

- Name
- Address
- Tax Identification Number or Functional Equivalent (where applicable)
- Date of birth (for individuals and controlling persons)
- Place of Birth (for individuals and controlling persons)
- Jurisdiction of tax residence
- Name and identification number of the Reporting Financial Institution

Financial information

- Account Number or Functional Equivalent
- Account balance or value as of the end of relevant calendar year / other reporting period
- If the account was closed during such year or period, the balance must be 0
- If the account was closed during the year, the account must be marked as closed
- Amount paid or credited to the Account Holder during the calendar year:
 - Custodial Account – total gross amount of interest, dividends and other income generated with respect to the assets held in the account and total gross proceeds from sale or redemption of Financial Assets
 - Depository Account – total gross amount of interest paid or credited to the Account Holder
 - Any other Financial Account – total gross amount paid or credited to the Account Holder with respect to which the Reporting Financial Institution is the obligor or debtor (including redemption payments)

CRS reporting – Identification information

Identification information

- Name
- Address
- Tax Identification Number or Functional Equivalent (where applicable)
- Date of birth (for individuals and controlling persons)
- Place of Birth (for individuals and controlling persons)
- Jurisdiction of tax residence
- Name and identification number of the Reporting Financial Institution

The address to be reported is the **current residence address** of the individual, unless the Reporting Financial Institution does not have such address in its records where it would report the mailing address it has on file.

The TIN to be reported with respect to an account is the **TIN assigned to the Account Holder by its jurisdiction of residence** (i.e. not by a jurisdiction of source).

Preexisting Accounts: TIN or date of birth is not required to be reported if (i) such TIN or date of birth is not in the records of the Reporting Financial Institution, and (ii) there is not otherwise a requirement for such TIN or date of birth to be collected by such Reporting Financial Institution under domestic law.

Preexisting and New Accounts: A TIN is not required to be reported if either:

- a) a TIN is not issued by the relevant Reportable Jurisdiction; or
- b) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.

In the case of a Reportable Person that is identified as having more than one jurisdiction of residence, the jurisdictions of residence to be reported are **all the jurisdictions of residence** identified by the Reporting Financial Institution for the Reportable

CRS reporting – Financial Information

The balance or value of a Financial Account is the **balance or value calculated by the Financial Institution for purposes of reporting to the Account Holder**.

Equity Interest - the value calculated by the Financial Institution for the purpose that requires the most frequent determination of value

Debt Interest – principal amount

Jointly held account – the entire balance or value and amount of payments is attributed to all the joint Account Holders.

An account with a negative balance or value is deemed to have a balance or value equal to nil.

Custodial Account – the term **other income** means any amount considered income under the laws of the jurisdiction where the account is maintained.

Custodial Account – the term **sale or redemption** means any sale or redemption of Financial Assets, determined without regard to whether the owner of such Financial Assets is subject to tax with respect to such sale or redemption.

Financial information

- Account Number or Functional Equivalent
- Account balance or value as of the end of relevant calendar year / other reporting period
- If the account was closed during such year or period, the balance must be 0
- If the account was closed during the year, the account must be marked as closed
- Amount paid or credited to the Account Holder during the calendar year:
 - Custodial Account – total gross amount of interest, dividends and other income generated with respect to the assets held in the account and total gross proceeds from sale or redemption of Financial Assets
 - Depository Account – total gross amount of interest paid or credited to the Account Holder
 - Any other Financial Account – total gross amount paid or credited to the Account Holder with respect to which the Reporting Financial Institution is the obligor or debtor (including redemption payments)

CRS Reporting focus areas

Starting from 2025, the Competent Authority and the Designated Supervisory Authorities have implemented systematic controls on the data reported by Reporting Financial Institutions for CRS purposes. Until now, most of the checks were manually done.

More checks will be added in 2026, and the Competent Authority is working to make sure that these checks are automated, so that to reduce both human intervention and provide a timely feedback to RFIs.



Reporting focus areas

Closed accounts

- In the case of an account closure, the Reporting FI must report the account balance as “0” and indicate that the account is closed.
- **Note:** If a discretionary beneficiary of a trust did not receive a distribution in a given year, this alone does not constitute closure of the account, as long as the beneficiary is not permanently excluded from receiving one in the future.
- Any account that is marked as closed in a specific year should not be reported in any future year.

Account not closed

- For all accounts that have not closed, they must continue to be reported year-on-year, unless it no longer qualifies as a Reportable Account. For example:
 - The account qualifies as an Excluded Account under subparagraph C(17) of Section VIII of the CRS.
 - The account is no longer held by one or more Reportable Persons (e.g., the account holder’s jurisdiction of tax residency changed to a non-reportable jurisdiction).
 - The account holder’s jurisdiction of residence is no longer a reportable jurisdiction in The Bahamas.
 - In the case of a discretionary beneficiary of a trust, no distribution was payable to them with respect to the period.

Balance/payment

- The Reporting FI must report the account balance or value as at the end of the relevant calendar year or other appropriate reporting period.
- If the account closed during the period, the balance/value reported is “0”.
- For Specified Insurance Companies, the cash or surrender value of the account must be reported.
- For Investment Entities, Equity Interests are generally reported using the net asset value (or the most frequent valuation basis), while debt interests are reported at principal amount.
- The account balance or value is not reduced by any liabilities or obligations of the account holder.
- Each holder of a joint account is attributed the full account balance/value and its payments.

CRS Reporting focus areas (cont'd)



Reporting focus areas

CRS Reportable Accounts

- Only accounts identified as Reportable Accounts in accordance with CRS due diligence procedures should be reported by the Reporting FI for the relevant period.
- An account is a Reportable Account where it is held by one or more Reportable Persons, or by a Passive NFE with one or more Controlling Persons that are Reportable Persons.
- For this purpose, a Reportable Person is any Reportable Jurisdiction Person (i.e., a person resident in a Reportable Jurisdiction for CRS purposes in The Bahamas), other than a:
 - Corporation, the stock of which is regularly traded on one or more established securities markets;
 - Entity that is a Related Entity of (i) above;
 - Governmental Entity;
 - International Organization;
 - Central Bank; or
 - Financial Institution.

Undocumented Accounts

- Only Preexisting Individual Accounts may be treated as undocumented for CRS purposes. To be undocumented, the following criteria must be met:
 - Only a “hold-mail” or “in-care-of” address is identified in the electronic record search, with no other address or indicia listed in subparagraph B(2)(a)–(e) identified.
 - A paper record search has been conducted and does not identify any additional indicia beyond those found in the electronic record search above.
 - A valid self-certification or documentary evidence cannot be obtained for the account holder.
 - For High Value Accounts, the Relationship Manager does not have actual knowledge that the Account Holder is a Reportable Person.
- **Note:** Enhanced due diligence for High Value Accounts must be performed annually for undocumented accounts, until the account is no longer treated as undocumented.

Corrections

- Where incorrect or incomplete information has been reported in a previously submitted filing, prescribed procedures apply to correct such errors or omissions.
- In The Bahamas, corrections and deletions are submitted via an additional filing through the portal.
- Whether submitted via XML upload or Manual filing, all corrections or deletions must be linked to the original submission by ensuring:
 - The CorrMessageRefID matches the original MessageRefID; and
 - The CorrDocRefID matches the original DocRefID.
- The XML conversion tool used must therefore be capable of generating the required correction and deletion filings.
- Where an account report was omitted from the original filing, a supplementary filing may be submitted for the omitted account(s) only and need not reference the original filing.

05

Enforcement



Enforcement

CRS penalties

Effective penalties systems are generally informed by the following principles:

Proportionality - A credible CRS penalties framework must distinguish between: (i) minor, technical or first-time errors; (ii) repeated non-compliance; and (iii) deliberate attempts to avoid or obstruct reporting. Moreover, penalties should be proportionate to: (i) the gravity of the breach; (ii) the potential impact on the integrity of CRS exchanges; and (iii) the level of cooperation shown once an issue is identified;

Deterrence – The CRS penalties must be sufficiently robust to deter non-compliance, but at the same time they should not be so punitive so that they discourage voluntary compliance;

Procedural fairness – CRS-related penalties must be seen as legitimate, which means that the affected parties must receive timely notice of the proposed penalties and reasons for them. The Competent Authority must provide clear opportunity to make representation, present evidence and have the matter reviewed. Finally, in case of disagreement with the Competent Authorities, the affected parties must have the opportunity to have their case heard by the Court.



Generic CRS penalty

The Competent Authority can apply a penalty **up to \$300,000** for any non-compliance with the AEOI Act or AEOI Regulations, unless the breach is already covered by another Section of the CRS Act or Regulation of the CRS Regulations.



Late registration on AEOI portal

The Competent Authority can apply a penalty **up to \$100,000** to any entity that fails to register on the AEOI portal within the relevant deadline



Failure to comply with record keeping

Any failure by a RFI to maintain the relevant records for CRS purposes can attract a penalty **up to \$5,000**.



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