



TURKS AND CAICOS ISLANDS

Secondary legislation

Tax Information (Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the Common Reporting Standard) Order 2016 made by L.N. 20 of 2016 as amended by the Tax Information (Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the Common Reporting Standard) (Amendment) Order 2017

Order <http://online.fliphtml5.com/fizd/kxbs/>

Amendment <http://online.fliphtml5.com/fizd/ocoi/>

International Tax Compliance Regulations 2016 made by L.N. 21 of 2016 (hereinafter referred to as the "Regulations") as amended by the International Tax Compliance (Amendment) Regulations 2017 and the International Tax Compliance (Amendment) (No. 2) Regulations 2017

Regulations See below

Amendment <http://online.fliphtml5.com/fizd/ink/>

Amendment No 2 <http://online.fliphtml5.com/fizd/dzly/#p=1>

More information on the AEOI portal: <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/>

INTERNATIONAL TAX COMPLIANCE REGULATIONS

2016

(Legal Notice 21 of 2016)

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INTERNATIONAL TAX COMPLIANCE REGULATIONS 2016

(Legal Notice 21 of 2016)

MADE by the Governor under section 16 of the Tax Information (Exchange and Mutual Administrative Assistance) Ordinance.

Citation and commencement

1. These Regulations may be cited as the International Tax Compliance Regulations 2016 and shall come into operation on 1 April 2016.

Interpretation

2. (1) In these Regulations—

“AML/KYC procedures” means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject;

“Common Reporting Standard (“the CRS”)” means the Standard for Automatic Exchange of Financial Account Information in Tax Matters, including its commentary, developed by the OECD, and as amended from time to time;

“FATCA Agreement” means the Agreement entered into between the Government of the Turks and Caicos Islands and the Government of the United States of America to improve international tax compliance and to implement the FATCA;

“Financial Account” has the same meaning assigned under the relevant agreement;

“Financial Institution” has the same meaning assigned under the relevant agreement; and “institution” shall be construed accordingly;

“high value account” means a pre-existing individual account with an aggregate balance or value that exceeds \$1,000,000 as of 31 December 2015 or 31 December of any subsequent year;

“lower value account” means a pre-existing individual account with an aggregate balance or value as of 31 December 2015 that does not exceed \$1,000,000;

“Non-Participating Financial Institution” has the same meaning assigned to “NonParticipating Financial Institution” under the FATCA Agreement;

“OECD” means the Organisation for Economic Cooperation and Development;

“pre-existing account” means—

- (a) a financial account maintained by a reporting financial institution as of 31 December 2015; or
- (b) any financial account of an account holder, regardless of the date such Financial Account was opened if—
 - (i) the account holder also holds with the Reporting Financial Institution (or with a related entity within the same jurisdiction as the Reporting Financial Institution) a Financial Account that is a pre-existing account under paragraph (a);
 - (ii) the Reporting Financial Institution (and, as applicable, the related entity within the same jurisdiction as the Reporting Financial Institution) treats both of the aforementioned financial accounts, and any other financial accounts of the account holder that are treated as pre-existing accounts under this paragraph, as a single Financial Account for purposes of satisfying the standards of knowledge requirements set out in paragraph A of Section VII of the CRS, and for purposes of determining the balance or value of any of the financial accounts when applying any of the account thresholds;
 - (iii) with respect to a Financial Account that is subject to AML/KYC procedures, the Reporting Financial Institution is permitted to satisfy such AML/KYC procedures for the Financial Account by relying upon the AML/KYC procedures performed for the pre-existing account referred to under paragraph (a); and
 - (iv) the opening of the Financial Account does not require the provision of new, additional or amended customer information by the account holder other than for purposes of the CRS;

“pre-existing entity account” means a pre-existing account held by one or more entities;

“pre-existing individual account” means a pre-existing account held by one or more individuals;

“Reporting Financial Institution” has the same meaning assigned under the relevant agreement, including variances of its reference to a Reporting Turks and Caicos Islands Financial Institution;

“relevant agreement” includes the agreements and arrangements set out in regulation 3;

“Specified United Kingdom Person” has the same meaning assigned under the TCI/UK IGA;

“Specified U.S Person” has the same meaning assigned under the FATCA Agreement; and

“TCI/UK IGA” means the Agreement entered into between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turks and Caicos Islands to improve International Tax Compliance.

(2) An entity is a “related entity” of another entity if—

- (a) either entity controls the other entity;
- (b) the two entities are under common control; or
- (c) the two entities are Investment Entities described under the relevant agreement and are under common management, and such management fulfils the due diligence obligations of such Investment Entities, and

for this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an entity.

Application

3. (1) These Regulations apply to—

- (a) the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turks and Caicos Islands to improve International Tax Compliance, set out in the Tax Information (Exchange and Mutual Administrative Assistance) (United Kingdom and Turks and Caicos Islands Agreement to Improve International Tax Compliance) Order 2014;

- (b) the Agreement entered between the Government of the Turks and Caicos Islands and the Government of the United States of America to improve international tax compliance and to implement the FATCA, set out in the Tax Information (Exchange and Mutual Administrative Assistance) (Turks and Caicos Islands and United States of America Agreement to Improve International Tax Compliance) Order 2015; and
- (c) the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account and the Common Reporting Standard set out in the Tax Information (Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the Common Reporting Standard) Order 2016.

Reportable account

4. (1) In these Regulations, a “reportable account” in relation to a Reporting Financial Institution means a reportable account maintained by that institution in the Islands for the purposes of its business as—

- (a) a custodial institution;
- (b) a depository institution;
- (c) an investment entity; or
- (d) a specified insurance company.

(2) An account within regulation 5(a)(iv) or (b) is a reportable account for a Reporting Financial Institution for a calendar year if there is an election by the institution which has effect for that year to treat all such accounts, or a clearly identified group of such accounts, as being reportable accounts.

(3) An election under subregulation (2) shall be made for each calendar year for which the election is to have effect in the return required by regulation 10 for that year.

Non-reportable account

5. An account is not a reportable account—

- (a) regarding a Reporting Financial Institution under the TCI/UK IGA Agreement and the FATCA Agreement, if—
 - (i) the account holder is deceased or is a personal representative of a deceased person;

- (ii) the account is held to comply with an order or judgment made or given in legal proceedings;
- (iii) the funds held in the account are held solely as security for the performance of a party's obligation under a contract for the disposal of an estate or interest in land or of tangible moveable property; or
- (iv) it is an account meeting the description at paragraph II.A, III.A or IV.A of Annex I of the respective agreements; and

(b) regarding a Reporting Financial Institution under the CRS, if the account is a pre-existing entity account with an account balance or value that does not exceed US\$250,000 as of 31 December 2015, or if the account is listed as an excluded account in the Schedule.

General rules for accounts

6. (1) A Reporting Financial Institution shall apply the account balance aggregation and currency rules in the relevant agreement for the purposes of determining whether an account maintained by the institution is within regulation 4(2).

(2) The account balance aggregation and currency rules are—

- (a) in paragraph C of Section VII of the CRS;
- (b) in paragraph VI:C of Annex 1 to the TCI/UK IGA; and
- (c) in paragraph VI:C of Annex I to the FATCA Agreement.

(3) In applying the account balance aggregation and currency rules for the purposes of a relevant agreement and these Regulations, an account balance that has a negative value is treated as having a nil value.

(4) In determining the balance or value of an account denominated in a currency other than US dollars for the purposes of a relevant agreement and for the purposes of regulation 4(2), the institution must translate the relevant dollar threshold amounts into the other currency by reference to the spot rate of exchange on the date for which the institution is determining the threshold amounts.

(5) For the purposes of a relevant agreement and these Regulations, an account held by an individual as a partner of a

partnership is treated as an entity account and is not treated as an individual account.

Due diligence requirements

7.—(1) A Reporting Financial Institution shall establish and maintain arrangements that are designed to identify reportable accounts.

(2) Such arrangements shall—

- (a) identify the state or territory in which an account holder or a controlling person is resident for income tax or corporation tax purposes or for the purposes of any tax imposed by the law of that state or territory that is of a similar character to either of those taxes;
- (b) apply the due diligence procedures set out in the relevant agreement; and
- (c) secure that the information obtained in accordance with this regulation, or a record of the steps taken to comply with this regulation, for any financial account is kept for a period of five years beginning with the end of the year in which the arrangements applied to the financial accounts.

(3) The due diligence procedures are—

- (a) for a Reporting Financial Institution under the CRS, set out in Sections II to VII of the CRS; and
- (b) for a Reporting Financial Institution under the TCI/UK IGA and FATCA Agreement, set out in Annex I to those agreements.

Modification of due diligence requirements: the CRS

8. (1) A Reporting Financial Institution under the CRS may apply, for a calendar year—

- (a) subject to subregulation (2), the due diligence procedures for new accounts set out in Section IV or VI of the CRS, to pre-existing accounts;
- (b) the due diligence procedures for high value accounts set out in paragraph C of Section III of the CRS, to lower value accounts;
- (c) the residence address procedure set out in paragraph B(1) of Section III of the CRS, to lower value accounts; and

(d) paragraphs A to C of Section V of the CRS to determine whether a pre-existing entity account is subject to due diligence procedures set out in Section V of the CRS

(2) A Reporting Financial Institution may not apply the due diligence procedures for a new account to a pre-existing account unless the institution applies the procedures to all pre-existing accounts it maintains or a clearly identifiable group of pre-existing accounts.

(3) A Reporting Financial Institution may treat a Financial Account that is a member's interest in a Group Cash Value Insurance Contract or Group Annuity Contract as a Financial Account that is not a reportable account until the date on which an amount is payable to the employee or certificate holder or beneficiary, if the Financial Account that is a member's interest in a Group Cash Value Insurance Contract or Group Annuity Contract meets the following requirements—

- (a) the Group Cash Value Insurance Contract or Group Annuity Contract is issued to an employer and covers twenty-five or more employees or certificate holders;
- (b) the employee or certificate holders are entitled to receive any contract value related to their interests and to name beneficiaries for the benefit payable upon the employee's death; and
- (c) the aggregate amount payable to any employee or certificate holder or beneficiary does not exceed \$1,000,000.

(4) In this regulation—

“Group Annuity Contract” means an Annuity Contract under which the obligees are individuals who are affiliated through an employer, trade association, labour union, or other association or group; and

“Group Cash Value Insurance Contract” means a Cash Value Insurance Contract that—

- (a) provides coverage on individuals who are affiliated through an employer, trade association, labour union, or other association or group; and
- (b) charges a premium for each member of the group (or member of a class within the group) that is determined without regard to the individual's health characteristics other than age, gender, and smoking habits of the member (or class of members) of the group.

(5) A reporting Financial Institution may, with respect to a pre-existing entity account, use as documentary evidence any classification in the institution's records with respect to the account holder that was determined based on a standardised industry coding system, that was recorded by the institution consistent with its normal business practices for purposes of AML/KYC procedures or other regulatory purposes (other than for tax purposes) and that was implemented by the institution prior to the date used to classify the Financial Account as a pre-existing account, provided that the institution does not know or does not have reason to know that such classification is incorrect or unreliable.

(6) With respect to new entity accounts, for the purposes of determining whether a controlling person of a passive NFE is a reportable person, a Reporting Financial Institution may only rely on a self-certification from either the account holder or the controlling person.

(7) In this regulation a passive NFE" means any NFE that is not an Active NFE or an Investment Entity that is not a Participating Jurisdiction Financial Institution; and accordingly holds the same meaning assigned under the CRS.

Modifications of due diligence requirements: TCI/UK IGA and FATCA Agreement

9. (1) A Reporting Financial Institution under the TCI/UK IGA and FATCA Agreement may modify the due diligence requirements specified in this regulation.

(2) In the case of an account within paragraph II.B or II.C of Annex I to the TCI/UK IGA and FATCA Agreement, the due diligence requirements do not include the requirement to carry out the electronic search described in paragraph II.B (1) of the respective Annex if—

- (a) the institution has established that the account holder is a Specified United Kingdom Person or Specified U.S. Person from documentary evidence mentioned in paragraph VI.D of Annex I of the respective agreement; and
- (b) the institution has done so in order to meet its obligations under a Qualifying Intermediary agreement as mentioned in that paragraph.

(3) In the case of an account with paragraph II.D or II.E of Annex I to the TCI/UK IGA and FATCA Agreement, the due diligence requirements do not include the requirement to carry out the electronic searches described in paragraph II.B (1) or II.D (1) of the respective Annex or the requirement to carry out the

paper record search described in paragraph II.D (2) of the respective Annex if—

- (a) the institution has established the account holder is a Specified United Kingdom Person or Specified U.S. Person from documentary evidence mentioned in paragraph VI.D of the respective Annex; and
- (b) the institution has done so in order to meet its obligations under a Qualifying Intermediary agreement as mentioned in that paragraph.

(4) The Reporting Financial Institution may rely on evidence that a person is a Specified United Kingdom Person or Specified U.S. Person obtained in relation to another Financial Account if, for a Specified U.S. Person the due diligence procedures in the relevant U.S. Treasury Regulations would allow such reliance.

(5) For the purposes of this regulation references to the documentary evidence set out in paragraph VI.D. (4) of Annex I of the TCI/UK IGA and FATCA Agreement are to be treated as if the words “other than a Form W-8 or W-9” were omitted.

Reporting obligation

10. (1) A Reporting Financial Institution shall, subject to subregulation (4), for the first reporting year and every following calendar year, make a return setting out the information required to be reported under the relevant agreement for every reportable account that is maintained by the institution at any time during the calendar year in question.

(2) The first reporting year is—

- (a) the calendar year 2014 for an account identified as a reportable account for the purposes of the TCI/UK IGA and FATCA Agreement; and
- (b) the calendar year 2016 for an account identified as a reportable account for the purposes of the CRS.

(3) The information required to be reported—

- (a) for an account identified as a reportable account for the purposes of the CRS, is set out in Section I of the CRS; and
- (b) for an account identified as a reportable account for the purposes of the TCI/UK IGA and FATCA Agreement, is set out in Article 2(2) of the respective agreement.

(4) The return shall be submitted electronically in a system determined by the Competent Authority—

- (a) for the TCI/UK IGA on or before 31 May of the year following the calendar year to which the return relates;
- (b) for the FATCA Agreement on or before 30 June of the year following the calendar year to which the return relates; and
- (c) for the CRS on or before 31 March of the year following the calendar year to which the return relates.

(5) If a Reporting Financial Institution applies the due diligence procedures for a calendar year and no account is identified as a reportable account, the institution shall file an information return which provides that the institution maintains no such reportable accounts in respect of that year.

(6) For the purposes of the information required to be reported under the relevant agreement—

- (a) references to the balance or value of an account include a nil balance or value; and
- (b) references to crediting an amount include crediting an amount.

Form of return

11. (1) A Reporting Financial Institution shall make the return that is required to be made in accordance with regulation 10 electronically using a form and in a manner specified by the Competent Authority that incorporates an electronic validation process.

(2) Where a Reporting Financial Institution purports to comply with the requirements of subregulation (1) in a manner otherwise than that provided, the Reporting Financial Institution is deemed not to have complied with the requirements of subregulation (1) and the Competent Authority shall treat the Reporting Financial Institution as not having complied with the requirement to make a return in accordance with regulation 10.

(3) The Competent Authority shall assume unless the contrary is proved that—

- (a) the use of the electronic return system specified by the Competent Authority resulted in a return having been made if the return was recorded by the electronic validation process of the system;

(b) the return was made at the time recorded by the electronic validation process; and

(c) the person who made the return is the person identified as doing so by the electronic return system.

(4) The Competent Authority shall assume that a return made on behalf of a Reporting Financial Institution was made by the Reporting Financial Institution, unless the Reporting Financial Institution proves that the return was made without the Reporting Financial Institution's authority.

Modifications of reporting obligations: TCI/UK IGA and FATCA Agreement

12. (1) The information required to be reported for an account identified as a reportable account for the purposes of the TCI/UK IGA and FATCA Agreement is modified in this regulation.

(2) The information required to be reported for all reportable accounts for the calendar year 2014 is provided in Article 3(3)(a) of the TCI/UK IGA and FATCA Agreement.

(3) The information required to be reported for custodial accounts for the calendar year 2015 is provided in Article 3(3)(b) of the TCI/UK IGA and FATCA Agreement.

(4) In the case of pre-existing accounts—

(a) for any calendar year before 2017, there is no requirement to include a United Kingdom client number or a UK National Insurance Number or a U.S. federal taxpayer identifying number if the Reporting Financial Institution does not hold that number, except that, if the account holder is an individual whose date of birth the institution does hold, the institution must include the account holder's date of birth instead; and

(b) for the calendar year 2017 and subsequent years, if a Reporting Financial Institution does not hold a United Kingdom client number or a UK National Insurance Number or a U.S. federal taxpayer identifying number that it is required to report, the institution must obtain that number from the account holder.

**Additional due diligence and reporting obligations for payments to a Non-Participating Financial Institution:
FATCA Agreement**

13. (1) The due diligence requirements and the information required to be reported for a Reporting Financial Institution under the FATCA Agreement are modified in this regulation regarding payments to a Non-Participating Financial Institution.

(2) A Reporting Financial Institution shall establish and maintain arrangements that are designed to identify payments made by the institution to a Non-Participating Financial Institution in the calendar year 2015 or 2016.

(3) “Payment” under subregulation (2) does not include consideration given by the Reporting Financial Institution for the provision of goods or services to it.

(4) A Reporting Financial Institution shall apply the due diligence procedures set out in paragraph IV.D (3) of Annex I of the FATCA Agreement to identify whether a financial institution is a Non-Participating Financial Institution.

(5) For any case in the calendar years 2015 and 2016 when a Reporting Financial Institution is within the terms of subparagraph 1(e) of Article 4 of the FATCA Agreement, the institution must make a disclosure of information in accordance with the requirements of that subparagraph.

(6) A Reporting Financial Institution shall, for each of the calendar years 2015 and 2016, prepare a return setting out the information set out in Article 4(1)(b) of the FATCA Agreement.

(7) The return must be submitted electronically in accordance with regulation 10.

(8) For the purposes of this regulation, “Non-participating Financial Institution” includes anyone who is treated as a Non-Participating Financial Institution as a result of subparagraph 5(a) of Article 4 of the FATCA Agreement.

Notification to individual reportable persons

14. (1) A Reporting Financial Institution shall notify each individual reportable person or individual Specified United Kingdom Person or Specified U.S. Person that information relating to that person which is required to be reported under regulation 10 will be reported to the Competent Authority and may be transferred to the government of another state or territory in accordance with a relevant agreement.

(2) The notification must be made by 31 January in the calendar year following the first year in which the account held

by the individual is a reportable account maintained by the Reporting Financial Institution.

Use of service providers

15. A Reporting Financial Institution may use a service provider to undertake—

- (a) the due diligence requirements under regulations 7, 8 and 9; and
- (b) the reporting obligations under regulations 10, 11 12 and 13,

but in such cases those obligations continue to be the obligations of the institution.

Inspection and compliance

16. (1) For the purposes of determining whether any information submitted by a Reporting Financial Institution in accordance with these Regulations was correct and complete, the Competent Authority may require a Reporting Financial Institution—

- (a) to provide to the Competent Authority, within a time specified by the Competent Authority, the information, including copies of any relevant books, documents or other records, or any electronically stored information, that the Competent Authority may reasonably require; or
- (b) to make available to the Competent Authority for inspection, at the time specified by the Competent Authority, all copies of books, documents or other records, or any electronically stored information, in the Reporting Financial Institution's possession or under its control.

(2) Where any information which is required to be provided to, or inspected by, the Competent Authority is located outside of the Islands in any manner, the Reporting Financial Institution shall take all necessary steps to bring the information to the Islands within the time specified by the Competent Authority in writing to enable the Reporting Financial Institution to comply with the requirements of the Competent Authority under this regulation.

(3) A Reporting Financial Institution shall retain for a period of five years all books, documents and other records, including those stored by electronic means, which relate to the information required to be reported to the Competent Authority for the purposes of these Regulations.

Offences against Financial Institutions

17. (1) A Reporting Financial Institution which—

- (a) without reasonable excuse, fails to comply with a requirement of the Competent Authority under regulation 14;
- (b) without reasonable cause, fails to make a report required under these Regulations;
- (c) fraudulently or negligently makes a false report, whether in its entirety or in any particular part;
- (d) fails to implement arrangements or procedures in order to comply with these Regulations;
- (e) with intent to avoid the provisions of these Regulations, alters, destroys, mutilates, defaces, hides or removes any document or information, including documents or information electronically held; or
- (f) wilfully obstructs an inquiry by the Competent Authority under regulation 16,

commits an offence and is liable on summary conviction to a fine of \$10,000, or to imprisonment for a term of two years, or both.

(2) Where an offence under this regulation is committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in the capacity of director, manager, secretary or other similar officer of the body corporate, that individual, as well as the body corporate, is considered to have committed that offence and is liable to be proceeded against and punished accordingly.

(3) Where the affairs of the Financial Institution, in cases where it is not a body corporate, are managed or controlled by its partners, members, trustees or other persons purporting to act in the capacity of a partner, member or trustee, subregulation (2) shall apply in relation to the acts and defaults of that person in connection with the person's functions of management or control as if that individual were a director of a body corporate.

Offences for inaccurate information

18. (1) A person commits an offence if—

- (a) in complying with an obligation under regulation 10, the person provides inaccurate information; and

(b) condition A, B, or C under subregulations (2), (3) and (4) is met.

(2) Condition A is that the inaccuracy is—

(a) due to a failure to comply with the due diligence requirements under regulation 7 and as modified under regulations 8 and 9; or

(b) deliberate on the part of the person.

(3) Condition B is that the person knows of the inaccuracy at the time the information is provided but does not inform the Financial Institution at that time.

(4) Condition C is that the person—

(a) discovers the inaccuracy some time later; and

(b) fails to take reasonable steps to inform the Financial Institution.

(5) A person who commits an offence under this regulation is liable on summary conviction to a fine of \$5,000, or to imprisonment for a term of twelve months, or both.

(6) Regulation 17(2) applies to an offence committed under this regulation.

Matters to be disregarded in relation to liability to penalties

19. Liability to a penalty under regulation 17 or 18 does not arise if the person satisfies the Financial Institution or Competent Authority that there is a reasonable excuse for the failure.

(2) For the purposes of this regulation neither of the following is a reasonable excuse—

(a) that there is an insufficiency of funds to do something; or

(b) that a person relies upon another person to do something.

(3) If a person had a reasonable excuse for a failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

SCHEDULE

EXCLUDED ACCOUNTS

1. Dormant account as defined under the Dormant Accounts Ordinance.
2. An account established in connection with a court order or judgment or any other Escrow Account.
3. An account held in Trust.

MADE this 8th day of March 2016.

PETER BECKINGHAM
GOVERNOR

EXPLANATORY NOTE
(This Note is not part of the Order)

These Regulations seek to make additional provision for the following agreements and arrangements—

- (a) the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turks and Caicos Islands to improve International Tax Compliance, set out in the Tax Information (Exchange and Mutual Administrative Assistance) (United Kingdom and Turks and Caicos Islands Agreement to Improve International Tax Compliance) Order 2014;
- (b) the Agreement entered between the Government of the Turks and Caicos Islands and the Government of the United States of America to improve international tax compliance and to implement the FATCA, set out in the Tax Information (Exchange and Mutual Administrative Assistance) (Turks and Caicos Islands and United States of America Agreement to Improve International Tax Compliance) Order 2015; and
- (c) the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account and the Common Reporting Standard set out in the Tax Information (Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the Common Reporting Standard) Order 2016.

Regulation 4 and 5 outlines what is a reportable and non-reportable account.

Regulation 6 sets out the general rules for accounts.

Regulation 7 sets out the due diligence requirements to be applied by Financial Institutions to identify reportable accounts.

Regulation 8 sets out the modifications for due diligence requirements for the CRS, whilst regulation 9 sets out the modifications for the TCI/UK IGA and the FACTA agreements.

Regulation 10 provides the obligation to report or submit a return by a Financial Institution to the Competent Authority, and provides that the report should be made electronically.

Regulation 11 sets out the form of return or reporting.

Regulation 12 provides for modifications of the reporting obligation for the TCI/UK IGA and the FATCA.

Regulation 13 specifically provides additional due diligence and reporting obligations for payments to a Non-Participating Financial Institution under the FATCA Agreement only.

Regulation 14 provides for notification of individual reportable accounts.

Regulation 15 gives the Financial Institution an option to use a third party service provider to conduct due diligence procedures and reporting obligation on their behalf; but this does not take away the obligation from the institution.

Regulation 16 empowers the Competent Authority to conduct a check and balance where it may require a Financial Institution to provide additional documents and information in order to establish whether information submitted was correct and complete.

Regulation 17 provides for offences against the Financial Institution, whilst **regulation 18** for offences of persons submitting inaccurate information to the Financial Institutions.

Regulation 19 exempts the Financials Institution and persons from liability from penalty under regulations 17 and 18 if there is a reasonable excuse for the submission of inaccurate information. This regulation however outlines that the excuse should be reasonable and that all measures should be taken to rectify the error if aware of at a later stage.