GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Bringing Tax Transparency to Crypto-Assets – An Update

Global Forum Report to G20 Finance Ministers and Central Bank Governors

July 2024, Brazil



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Abbreviations and acronyms

AEOI	Automatic Exchange of Information
CAA	Competent Authority Agreement
CARF	Crypto-Asset Reporting Standard
CRS	Common Reporting Standard
FATF	Financial Action Task Force
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
MAAC	Convention on Mutual Administrative Assistance in Tax Matters
OECD	Organisation for Economic Co-operation and Development
RCASP	Reporting Crypto-Asset Service Provider

Executive summary

The crypto-asset market has grown rapidly over recent years. The growth in this innovative sector brings with it new economic opportunities and ways of doing business, as well as new ways for taxpayers (individuals and entities) to hide their income and wealth from the view of tax authorities and other regulators. This is because the increased use of crypto-assets involves a move away from more traditional financial institutions and financial products that have historically been the focus of regulation and tax reporting. Crypto-assets and the intermediaries that facilitate their use are only now becoming a focus of regulation through an increased emphasis on crypto-assets by the Financial Action Task Force (FATF).

The risks in relation to the use of crypto-assets as a means to evade and avoid tax obligations are particularly acute when taxpayers hold the crypto assets offshore, such as through offshore intermediaries. Where financial activities that are relevant for tax purposes take place offshore, it is especially difficult for tax authorities from the jurisdictions in which taxpayers are resident to have visibility over the offshore income and wealth of their taxpayers to ensure that it is properly declared and taxed. This led to the development of the Common Reporting Standard (CRS), by the OECD working with G20 countries in 2014, which introduced the automatic exchange of information (AEOI) between tax authorities for tax purposes in relation to financial accounts maintained by the traditional financial sector, including information on the beneficial owners of financial accounts. If tax administrations do not have the same visibility in relation to crypto-assets, it will create incentives for some taxpayers to move their investments to crypto-assets, resulting in tax evasion and avoidance risks that exacerbate inequality, threaten to reduce the revenues available to governments to fund vital public services and undermine the trust the public has in public institutions and the financial system. It will also create distortions in financial markets, as it provides the crypto-asset sector with a competitive advantage compared to the more traditional financial sector.

The issue of crypto-assets has therefore received increasing public attention, in developing and developed jurisdictions alike, alongside an increased focus by political leaders and law enforcement authorities. To address the tax evasion and avoidance risks created by the increased use of crypto assets at an international level, the OECD has worked with G20 countries to develop the Crypto-Asset Reporting Framework (CARF). The CARF is a framework to extend AEOI between tax authorities to the crypto-asset sector. This is to ensure that tax authorities from all jurisdictions are equipped with the information they need, including information on the beneficial ownership of crypto-assets, to properly subject the income and wealth held offshore to tax, in accordance with their jurisdiction's domestic rules. This will help all jurisdictions address inequality and fund public services.

The development of the CARF was strongly endorsed by the G20, which invited the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) to work to ensure the widespread implementation of the CARF around the globe. Having already delivered a commitment and monitoring process that has led to the widespread implementation of the CRS, the Global Forum is well placed to do the same in relation to the CARF. The Global Forum has already made significant progress in this work and is due to deliver its commitment process, including commonly expected timelines, by the end of 2024. This report provides an update on this work. It has been prepared by the Secretariat of the

Global Forum to inform the discussions at the July 2024 meeting of the G20 Finance Ministers and Central Bank Governors, at the request of the G20 Brazilian Presidency.

1 Introduction and background

Crypto-assets, such as cryptocurrencies and cryptography-based tokens, are a relatively new method to store wealth and to carry out financial transactions. Crypto-assets allow for such activities to be carried out in a decentralised manner, outside the traditional financial sector, such as banks and other financial institutions. The use of crypto-assets to hold and transfer value has grown rapidly over recent years, catalysing new ways of doing business and innovation in financial markets.

However, the decentralised nature of crypto-assets and the removal of the need to engage with the more traditional financial sector has provided new opportunities for taxpayers (including both individuals and entities) to hide their income and wealth from the view of the tax and other law enforcement authorities. While the traditional financial sector has historically been a focus of regulatory oversight and reporting requirements, including for tax purposes, crypto-assets and the intermediaries that facilitate their use have only recently become the focus of such regulation in the FATF and are typically not yet subject to tax reporting requirements.

The risks posed by the increasing use of crypto-assets, including their potential use to evade and avoid tax obligations, are particularly acute when the crypto-assets are held or transacted offshore, such as through offshore intermediaries. This is similar to the situation that led to the creation of the framework for the automatic exchange of information (AEOI) between tax authorities in relation to financial accounts held abroad, commonly referred to as the Common Reporting Standard or CRS, developed by the OECD working with G20 countries in 2014. As is being experienced in relation to crypto-assets today, tax authorities were facing barriers to identifying financial accounts and their beneficial owners that were held by their taxpayers abroad, in order to establish a complete picture of their taxpayers income and wealth and therefore to ensure that their tax administration can apply the applicable domestic tax rules . In relation to crypto-assets, the inherent flexibility of the sector and the ease with which transactions can be carried out, including across borders, makes the associated potential risks even more acute.

The ability for taxpayers to use crypto-assets to hide their income and wealth from the view of the tax authorities in their jurisdiction of residence and to thereby evade or avoid tax exacerbates inequalities, reduces the revenues available to governments to fund vital public services and undermines the trust of the public in the financial system and public institutions, including tax authorities. It puts into question the fairness of the system and the level playing field. Furthermore, a move from the use of the more traditional financial sector towards the use of crypto-assets threatens to undermine the progress made on AEOI over recent years, which has been key to supporting jurisdictions in tackling inequality and ensuring that tax is properly paid. The use of assets and/or intermediaries not covered by existing AEOI frameworks threatens to undermine the benefits secured in recent years through the widespread implementation of the CRS. In 2023, for instance, 108 jurisdictions exchanged information under the CRS relating to about 135 million financial accounts and covering financial assets worth almost EUR 12 trillion, with developing countries receiving about one third of the information exchanged.

The growing use of crypto-assets has therefore led to increased attention by governmental authorities, including tax authorities. This has been reinforced by various scandals and criminal activities that have

come to light.[1] Action has been demanded, such as an increase in the regulatory oversight of the crypto-asset sector, overseen by the FATF, as well as action to ensure that the significant gains achieved through the existing AEOI framework is preserved. This report: (i) sets out the action that has been demanded to address these risks from a tax transparency perspective, including by the G20, (ii) highlights the resulting development of the Crypto-Asset Reporting Framework (CARF) by the OECD working with G20 countries(which builds upon the CRS to extend AEOI to the crypto-asset sector), and (iii) outlines the work of the Global Forum to ensure the widespread implementation of the CARF.

[1] See the various references in https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Countering-Ransomware-Financing.pdf.coredownload.pdf and https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/June2023-Targeted-Update-VA-VASP.pdf.coredownload.inline.pdf

2 G20 calls leading to a new global standard on crypto-assets

Faced with the challenges outlined in Part 1 of this report, there has been a strong political drive for action. This has been led by the G20, which has consistently called for action to address the risks of tax evasion and avoidance through the use of crypto-assets, including to preserve the gains achieved through the widespread implementation of the CRS.

At the same time, the OECD was working with G20 countries to review the CRS to ensure its ongoing effectiveness and also identified the use of crypto-assets as a key risk that could undermine the effectiveness of the CRS. Furthermore, the Global Forum's Task Force on Risk identified the increased use of crypto-assets as a key risk to transparency and the exchange of information for tax purposes.

The importance placed on this agenda internationally was clear from as early as 2021, when G20 Finance Ministers were vocally supporting further work being done to address the risks posed by crypto-assets in relation to tax evasion and avoidance.

> *"We acknowledge the progress made on implementing the internationally agreed tax transparency standards and support the Organization for Economic Cooperation and Development's (OECD) ongoing work to explore proposals for automatic exchange of information on crypto-assets."*
>
> *G20 Finance Ministers Communique, April 7, 2021*

By 2022, the OECD, working with G20 countries, completed the core rules for a new framework for AEOI in relation to the crypto-asset sector, called the CARF. It built on the frameworks established through the CRS, that requires financial institutions to report information in relation to financial accounts that they maintain for non-resident account holders. Essentially the CARF seeks to extend the framework to new intermediaries (crypto-asset service providers) in relation to transactions in crypto-assets that they facilitate for non-resident crypto-asset users. This new framework was developed alongside a package of amendments to the CRS itself, to increase the effectiveness of the CRS.

These developments were welcomed by the G20 Leaders in 2022, which called for the swift completion of the implementation packages by the OECD and invited the Global Forum to ensure their widespread implementation. This reflected the results already achieved by the Global Forum to ensure the widespread implementation of the CRS, under which 108 jurisdictions have already commenced exchanges and a further 18 jurisdictions are committed to do so in the near future.

> *"We also welcome the Crypto-Asset Reporting Framework and the amendments to the Common Reporting Standard, both of which we consider to be integral additions to the global standards for automatic exchange of information. We call on the OECD to conclude the work on implementation packages, including possible timelines, and invite the Global Forum on Transparency and Exchange of Information for Tax Purposes to build on its commitment and monitoring processes to ensure widespread implementation of both packages by relevant jurisdictions."*
>
> *G20 Leaders' Declaration, Bali, November 16, 2022*

The OECD continued to work with G20 countries to finalise the implementation packages and the Global Forum welcomed the invitation from the G20 to build on the Global Forum's commitment and monitoring processes to ensure the widespread implementation of the amended CRS and the CARF, committing to establish a dedicated working group to develop proposals in relation to the CARF to ensure the Global Forum was ready to act quickly, once the packages had been finalised.[2]

The OECD subsequently finalised its work to produce the CARF and amended CRS in June 2023 and updated its Recommendation with respect to the International Standards for AEOI in Tax Matters to incorporate the CARF and the amendments to the CRS.[3] The G20 Leaders then called for the swift implementation of the CARF and the amended CRS and reiterated its call on the Global Forum to work to ensure their widespread implementation.

> *"We call for the swift implementation of the Crypto-Asset Reporting Framework ("CARF") and amendments to the CRS. We ask the Global Forum on Transparency and Exchange of Information for Tax Purposes ("Global Forum") to identify an appropriate and coordinated timeline to commence exchanges by relevant jurisdictions, noting the aspiration of a significant number of these jurisdictions to start CARF exchanges by 2027 and to report to our future meetings on the progress of its work."*
>
> *G20 Leaders' Declaration, New Delhi, India, 9-10 September 2023*

In response, the Global Forum immediately constituted its CARF Group to commence building on the Global Forum's commitment and monitoring processes to ensure the widespread implementation of the amended CRS and the CARF, including to identify an appropriate and coordinated timeline to commence exchanges by relevant jurisdictions, noting the aspiration of a significant number of jurisdictions to start CARF exchanges by 2027.

In parallel, there was a jurisdiction-led initiative to maintain momentum behind the rapid implementation of the amended CRS and the CARF consisting of a "joint statement"[4], in which jurisdictions announced their intention "to work towards swiftly transposing the CARF into domestic law and activating exchange agreements in time for exchanges to commence by 2027, subject to national legislative procedures as applicable." This joint statement has so far been adhered to by 58 Global Forum member jurisdictions, including 10 developing jurisdictions.[5]

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[2] https://www.oecd.org/tax/transparency/documents/2022-global-forum-plenary-meeting-outcomes.pdf

[3] OECD (2023), *International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard*, OECD Publishing, Paris, https://doi.org/10.1787/896d79d1-en.

[4] https://www.oecd.org/tax/transparency/documents/CARF-signatories-joint-statement.pdf

[5] Argentina, Armenia, Australia, Austria, Azerbaijan, Barbados, Belgium, Belize, Bermuda, Brazil, Bulgaria, Canada, Cayman Islands, Chile, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, Indonesia, Ireland, Isle of Man, Italy, Japan, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Monaco, Netherlands, Norway, Portugal, Romania, San Marino, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, the United Kingdom, and the United States of America

3 The CARF – leveraging the Global Forum's implementation of the CRS

The CARF builds closely on the established frameworks for AEOI, more specifically the frameworks put in place to implement the CRS, under which 108 jurisdictions are already exchanging information. This has involved all jurisdictions putting in place the necessary legal, technical and administrative frameworks. The widespread delivery of the CRS is the result of the Global Forum's CRS commitment and monitoring processes, which is why the Global Forum is very well placed to ensure the widespread implementation of the CARF, in accordance with the G20's request.

There are significant synergies between the CRS and the CARF, which can be leveraged to quickly roll-out the CARF. In order to implement the CARF, jurisdictions will need to: (i) put in place a domestic legislative framework to require Reporting Crypto-Asset Service Providers (RCASPs) to carry out the due diligence procedures and report the information; (ii) put in place an international legal framework to provide for the international exchange of the information reported; (iii) put in place the necessary technical framework to receive the information from the RCASPs and exchange it internationally; (iv) implement the necessary administrative frameworks to ensure compliance by RCAPSs;, and (v) meet the expected standards in relation to confidentiality and data safeguards, to ensure that the information exchanged is kept secure and treated appropriately.

The required components to implement the CARF

The domestic legislative framework

For AEOI to operate effectively and for the information exchanged to be accurate and of most use to ensuring tax compliance, it must be obtained by the reporting intermediaries in a rigorous and standardised manner. This is why the CARF includes detailed due diligence requirements that must be followed by RCASPs to identify the information that must be reported. These due diligence requirements are intended to identify Crypto-Users that are tax resident offshore, as well as the beneficial owners of crypto assets held through certain entities, so the information can be reported and exchanged with the jurisdiction in which the Crypto-Users and beneficial owners are tax resident.

Jurisdictions must therefore implement these prescribed due diligence and reporting rules into their domestic legislative frameworks, to ensure that RCASPs are legally obliged to follow them. This will ensure that tax authorities have the necessary information ready to exchange. This approach mirrors the approach taken for the CRS, with a close alignment in the required due diligence rules (not least as some entities may be reporting information under the CRS and the CARF) so the experience gained by CRS jurisdictions can be extensively leveraged.

The international legal framework

Once a tax authority has received the information reported by its RCASPs, the tax authority needs to exchange it with the relevant exchange partners, so that the tax authorities in jurisdictions within which the Crypto-Users are tax resident can ensure that the assets and income have been appropriately declared.

The international exchange of CARF information requires an appropriate legal basis, including one that provides for AEOI and that ensures that the information will be kept confidential and will be treated appropriately. This can be provided for though the Convention on Mutual Administrative Assistance in Tax Matters (MAAC), which already has 147 signatories, alongside the CARF Multilateral Competent Authority Agreement (CARF MCAA), which specifies the details of the CARF exchanges. Other types of exchange agreements may also be used, such as bilateral arrangements. This is the same approach used for the CRS, which also relies on the MAAC, along with the CRS MCAA. The exchange relationships established under the MAAC can therefore also be utilised for exchanges under the CARF.

The technical framework

Under the CARF, RCASPs must report information to the tax authority in which it is located and the tax authority must then exchange the data with its exchange partners. The data exchanged must be prepared and formatted in accordance with the CARF XML Schema[6], which may also be used for the domestic reporting. This framework mirrors that used for the CRS.

With respect to the domestic reporting of the data, for the CRS, jurisdictions generally have in place an AEOI portal through which financial institutions can report the information. Such a portal can also be used for RCASPs to report information.

For the international exchange of the information, all CRS jurisdictions are using the Common Transmission System (CTS), put in place by the OECD and managed by the Global Forum. This enables bilateral exchanges of information in a manner that is best suited to each jurisdiction (i.e. whether the "push-pull" model or "system to system"), while ensuring compliance with strict information security standards. The CTS can be used for the exchange of tax information in relation to all international standards, including the CARF.

The administrative framework

Not only must RCASPs be legally obliged to carry out the due diligence and reporting requirements, jurisdictions must also ensure that RCASPs effectively implement the rules and comply with the requirements in practice. This requires jurisdictions to have an administrative framework for compliance, such as checks to ensure that all RCASPs are reporting information and verification activities to ensure that the information being reporting is complete and accurate, in accordance with the requirements in the CARF.

Conceptually, this mirrors the CRS, where jurisdictions must implement checks to ensure that Reporting Financial Institutions are reporting as required and verifications to ensure that the information being reported is complete and accurate, in accordance with the requirements in the CRS. While the CARF covers new intermediaries and new information that they must report, the approaches can nevertheless be leveraged.

Confidentiality and data safeguards

Under the international legal frameworks for the exchange of information for tax purposes, including AEOI in particular, jurisdictions need assurance that the information they send will be kept confidential and properly safeguarded. This applies to the CARF as well as the CRS. The Global Forum has therefore already been conducting substantial work on confidentiality and data safeguards for many years. This

[6] OECD (2017), "*Common Reporting Standard User Guide*", in *Standard for Automatic Exchange of Financial Account Information in Tax Matters, Second Edition*, OECD Publishing, Paris, https://doi.org/10.1787/9789264267992-10-en.

includes assessments to provide assurance to the jurisdictions exchanging information and the provision of extensive support where issues are identified.

Leveraging the Global Forum's CRS experience to implement the CARF

As set out above, the design of the CARF and therefore its implementation has been closely aligned to the design of the CRS. This is why the Global Forum is very well placed to build on its commitment and monitoring process to ensure the widespread implementation of the CARF, in accordance with the request from the G20 and for the benefit of all jurisdictions.

The Global Forum's commitment and monitoring process with respect to the CRS has so far resulted in 108 jurisdictions having commenced exchanges under the CRS. In 2023, this consisted of data being exchanged on about 135 million financial accounts, worth nearly EUR 12 trillion, around one third of which was received by developing countries. This represents a significant success for the Global Forum members and their ability to deliver coordinated action to enhance tax transparency and the exchange of information for tax purposes. The Global Forum is already working to ensure the widespread implementation of the CARF, following the invitation from the G20.

4 The Global Forum's work to ensure the widespread implementation of the CARF

Immediately following the first invitation from the G20 in 2022, the Global Forum committed to put in place the necessary structures to ensure it was ready to rapidly deliver once the CARF was finalised.

> *Delegates welcomed the recent G20 Chair's Summary in relation to the OECD's work on the Crypto-Asset Reporting Framework (CARF) … Delegates also welcomed the invitation to the Global Forum to build on its commitment and monitoring processes to ensure [its] widespread implementation by relevant jurisdictions.*
>
> *They recognised the trust shown in the Global Forum. Delegates committed to closely follow the work of the OECD to finalise the implementation packages and to consider how to build on the Global Forum's commitment and monitoring processes to deliver in respect of these issues. In this regard, delegates… agreed to establish a group of interested members to develop proposals for the delivery of the CARF's implementation.*
>
> *Statement of Outcomes, 2022 Global Forum Plenary meeting*[7]

Immediately upon the finalisation of the CARF, the Global Forum established its "CARF Group" in order to develop proposals on how to ensure the widespread implementation of the CARF by relevant jurisdictions. It was established as an "open" group, without limits on its membership thus allowing every Global Forum member to join. This is to allow all jurisdictions to participate. The CARF Group currently has 50 members, including nine developing jurisdictions. After only two months, the CARF Group was able to report back to the 2023 Global Forum Plenary meeting with the results of its initial discussions. This was reflected in the Statement of Outcomes from the meeting.

> *The CARF Group has begun technical discussions on various topics related to the development of a process to ensure the widespread implementation of the CARF by relevant jurisdictions. This includes a framework to identify relevant jurisdictions as well as an appropriate and coordinated timeline, where the ambition of a significant number of jurisdictions to start exchanges in 2027 was evident. The need to explore the provision of some limited flexibility around this date was also identified.*
>
> *…*
>
> *Delegates welcomed the progress of the work of the CARF Group .. and asked [them] to finalise [their] proposals in time to report back to the Global Forum's 2024 Plenary meeting. Delegates also welcomed the joint statement made by 48 Global Forum members on 10 November 2023, setting out their intent to work towards swiftly implementing the CARF … , in time to commence exchanges in 2027. Delegates also welcomed the adherence to the joint statement by an additional 6 jurisdictions.*

[7] https://www.oecd.org/tax/transparency/documents/2022-global-forum-plenary-meeting-outcomes.pdf

> *Statement of Outcomes, 2023 Global Forum Plenary meeting*[8]

Since then, the Global Forum's CARF Group has taken forward work in several key areas with a view to delivering the Global Forum's commitment process by the 2024 Global Forum Plenary meeting in November. The CARF Group has used the Global Forum's CRS commitment process as a starting point with respect to developing the CARF commitment process.

The work of the CARF Group – delivering the CARF commitment process

The components of the commitment process, including a common timeline

With respect to the CRS, the commitment process had several core components, including a common timeline to implement the CRS and commence exchanges. The CARF Group has therefore been reflecting on these topics in the context of developing the Global Forum's CARF commitment process.

On the common timeline, it has noted the stated intent of 58 jurisdictions to commence exchanges in 2027, including 10 developing jurisdictions. The CARF Group is also reflecting on the need to provide some limited flexibility around this date, if it is needed.

Identifying relevant jurisdictions

Another critical topic, as reflected in the invitation from the G20, is to identify relevant jurisdictions to the CARF and therefore the jurisdictions that should implement the CARF to ensure it is effective and to deliver a level playing field.

Ultimately AEOI relies on the relevant standard being universally applied across all of the jurisdictions to which it is relevant. This essentially means that the relevant intermediaries (RCASPs, in the case of the CARF) are fully brought under the due diligence and reporting obligations to ensure that there is complete coverage and to ensure that there are no gaps that could be exploited by intermediaries or investors that could seek to circumvent the reporting. This has therefore been a topic of early focus of the CARF Group, which has recognised the challenges stemming from the crypto-asset markets' potential to change rapidly (faster than the traditional financial sector) and the fact that it is not yet subject to consistent financial regulation globally. To deliver the commitment process in time for the 2024 Global Forum Plenary meeting, an approach and process to identify relevant jurisdictions to the CARF has already been adopted by the Global Forum, which the CARF Group is currently implementing. This is to ensure that all potentially relevant jurisdictions can be engaged, with well in advance of the 2024 Global Forum Plenary meeting and the delivery of the Global Forum's CARF commitment process.

When developing its proposals, the CARF Group has been conscious of the related work by the FATF to identify jurisdictions hosting material Virtual Asset Service Providers[9] (which are also RCASPs) and to ensure coherence between the work of the FATF and the Global Forum to ensure that the work of the FATF and the Global Forum is mutually beneficial.

Disseminating knowledge and providing support

As the CARF is still a relatively recent development, the Global Forum also wants to ensure that knowledge is disseminated across its membership, to facilitate jurisdictions in working together to find common

[8] https://www.oecd.org/tax/transparency/documents/2023-global-forum-plenary-meeting-outcomes.pdf

[9] https://www.fatf-gafi.org/content/dam/fatf-gafi/publications/VACG-Table-Jurisdictions-2024.pdf.coredownload.pdf

solutions to common challenges and to provide support where needed, including to ensure that developing countries can benefit from this new form of AEOI.

This has been a key objective of the Global Forum from the outset and why the CARF Group was created as an “open” group that any Global Forum member can join, at any time, provided it is interested in delivering the work of the CARF Group. The CARF Group is also developing guidance materials for Global Forum members so that they are aware what implementing the CARF consists of and how they can leverage the implementation of the CRS.

The provision of guidance and support will be a key area of focus for the Global Forum in the coming months and years, as jurisdictions begin implementing the CARF.

5 Conclusion

As set out in this report, jurisdictions are on the cusp of a new era in tax transparency and the exchange of information for tax purposes, with the expansion of AEOI to the crypto-asset sector. This has the potential to bring substantial benefits to tax authorities from developing and developed jurisdictions alike. It helps secure tax revenues and tackle inequality by ensuring that taxpayers are properly declaring their crypto-asset holdings and the related income, as required by domestic tax laws.

The Global Forum and its members are very well-placed to deliver a rapid implementation of the CARF, including ensuring that all relevant jurisdictions are participating and that the CARF is effective and based on a level playing field. Here the roll-out of the CRS in relation to the reporting of information on financial accounts by almost 110 jurisdictions can be used as a model for the roll-out of the CARF.

The Global Forum is delivering in accordance with the request from the G20, and is working to implement its CARF commitment process by the time of the Global Forum's 2024 Plenary meeting with a view to supporting all relevant jurisdictions in effectively implementing the CARF in the coming months and years.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Bringing Tax Transparency to Crypto-Assets – An Update

This report provides an update on the work to implement the recently agreed OECD/G20 Crypto-Asset Reporting Framework (CARF), which extends the automatic exchange of information for tax purposes to the crypto-asset sector. The G20 asked the Global Forum on Transparency and the Exchange of Information for Tax Purposes (Global Forum) to "build on its commitment and monitoring processes to ensure the widespread implementation of the [CARF]". The Global Forum has accordingly prepared this report to update the G20 on the progress of its work. This includes an update on the work of the Global Forum's recently established dedicated CARF Group to develop the Global Forum's commitment process in time for its delivery this year, to ensure that all relevant jurisdictions implement the CARF according to agreed timelines to deliver an effective CARF based on a level playing field. In this regard it is noted that 58 Global Forum members have already announced their intention to commence exchanges under the CARF in 2027. This report was prepared by the Global Forum to inform the discussions at the July 2024 meeting of G20 Finance Ministers and Central Bank Governors, at the request of the G20 Brazilian Presidency.

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