

CRS Reporting Obligations for Cayman Islands Domiciled Private Equity Funds – January 1, 2016 Deadline Approaching

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The Cayman Islands announced Common Reporting Standard (CRS) implementing legislation on October 20, 2015.

CRS was originally issued by the Organization for Economic Co-Operation and Development (OECD) as a global standard for automatic exchange of financial account information for tax purposes. The purpose of CRS is to combat offshore tax evasion on a global basis through transparency and reporting.

CRS is sometimes referred to as the global version of the Foreign Account Tax Compliance Act (FATCA). The principles under CRS are similar to FATCA as well as the Cayman Islands UK FATCA regulations, although there are specific differences and more complexities.

Over 95 jurisdictions have already adopted CRS. The Cayman Islands, one of the early adopting jurisdictions of CRS, now requires private equity and other investment funds to adopt CRS rules commencing January 1, 2016.

Funds domiciled in the Cayman Islands must prepare now to comply with CRS, as the January 1, 2016 deadline is rapidly approaching.

Key CRS Compliance steps to take now:

- Update offering documents and subscription documents to require CRS information disclosure from new investors.
- Establish on-boarding procedures for new investor accounts to capture required CRS data. On-boarding procedures should include obtaining self-certification forms that require disclosure of the investor's tax residency.
- Document due diligence procedures used to determine if an investor is a tax resident of any CRS jurisdiction.
- Develop CRS reporting processes to the Cayman Islands Department for International Tax Cooperation (DITC). Cayman funds report information to the DITC, and the DITC shares that information with other CRS jurisdictions.

Additional regulatory guidance is expected to be issued by the DITC in December 2015.

Broadscope Can Assist with CRS Compliance and Reporting

Broadscope provides full-service fund administration exclusively to the private equity industry. As part of our turnkey offering, we assist our clients with regulatory and compliance matters, including CRS administration and reporting.

Broadscope stays current on all new and proposed regulatory issues impacting the private equity industry. We understand that each client engagement is unique. We proactively share our expertise and experience through close interaction with our clients and their industry experts to ensure each client's compliance program is comprehensive. We have developed a streamlined automated solution to capture, maintain and extract the required data so our clients can rest assured that their compliance program is administered effectively.

About Broadscope Fund Administrators

Broadscope uses a high touch, boutique style model to provide full-service fund administration to private equity fund managers. Broadscope's mission is to deliver a premium service model based on direct access to senior management, robust quality controls and innovative technology. The Company's founders and senior employees have significant industry-specific experience and knowledge of a broad range of private equity fund types and structures. The Company prides itself on the experience of its senior team, which forms the basis of its personalized service offering.

Contact Us

If you want to free up time to focus on important strategic issues, please contact us.

We have a lot to offer.

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