

UPDATE

CRS 2.0 in Cayman - What you need to know

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The Cayman Islands will implement CRS '2.0' from 1 January 2026. This Update provides a summary of the key changes to note.

Background

The Cayman Islands implement the Common Reporting Standard (**CRS** or the **Standard**), a global standard for the automatic exchange of financial account information to combat tax evasion developed by the OECD¹, pursuant to the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2021 Revision) (the **CRS Regulations**). The CRS Regulations will be amended - with effect from **1 January 2026** - to implement the first major update to the Standard (known as 'CRS 2.0') since its adoption by the OECD in 2014.

The amendments are two-fold in nature. The Standard, set out in the Schedule to the CRS Regulations, will itself be amended in-line with the CRS 2.0 amendments adopted by the OECD in August 2022² and changes will also be made to the way in which Cayman implements the Standard, including reporting deadlines and service provider requirements.

Overview of current requirements and incoming changes

A Cayman Islands entity which is a financial institution (**FI**) for the purposes of the CRS will have the following basic obligations:

- Registration with the Cayman Islands Tax Information Authority (the **TIA**) by the deadline stated within the CRS Regulations.
- Adoption, maintenance and implementation of written CRS policies and procedures.
- Annual reporting obligation, again by the deadline required by the CRS Regulations.
- Submission of CRS Compliance Form.

No changes are being made to the obligation regarding adoption and maintenance of written policies and procedures, though these will likely need review and updating to ensure that they reflect the other amendments. Those amendments are considered in turn below.

Registration deadline

Currently, FIs must register with the TIA by 30 April in the year following the calendar year in which the entity first became an FI. For example, a fund which launched in August 2024 was required to register with the TIA by 30 April 2025.

¹ The Organisation for Economic Co-operation and Development.

² The unofficial consolidated text of the CRS can be found [here](#).

This will remain the position for entities which became FIs in 2025; they must register with the TIA by **30 April 2026**.

However, from 1 January 2026, the deadline for registration will change to 31 January in the calendar year following the entity first becoming an FI, meaning that any entities which become FIs in 2026 must register with the TIA by **31 January 2027**.

Upon registration, an FI is required to provide the TIA with certain prescribed information, including the contact details of the person appointed by the FI to be its principal point of contact (**PPOC**) for the TIA, which is discussed in more detail below. Any changes to the required registration information must be notified to the TIA via the submission of a change form. From 1 January 2026, a change form must be submitted to the TIA within **30 days** of the change occurring.

Annual reporting and CRS Compliance Form deadlines

The current deadline by which a reporting FI must file its CRS annual return is 31 July of the year following the calendar year to which the report relates. However, this deadline is being brought forward to 30 June in the year following the calendar year to which the report relates. This 30 June deadline will also be applied to the Compliance Reporting Form, which is currently required to be filed on 15 September in the year following the calendar year to which the report relates.

There will be a transitional period, so:

- For the 2025 financial period, the CRS annual return must be filed by **31 July 2026** and the CRS Compliance Form must be filed by **15 September 2026**.
- For the 2026 financial period, both the CRS annual return and the CRS Compliance Form must be filed by **30 June 2027**. This 30 June deadline will apply to financial periods thereafter.

From 1 January 2026, the TIA will be able to issue a penalty notice imposing an administrative penalty for a breach of the applicable filing deadline without first providing a breach notice and giving the recipient a window to respond.

There will also be changes to the information required to be reported under the Standard, which are described in more detail under '[Amendments to the Standard](#)' below.

Alignment with FATCA regime?

The registration deadlines and annual reporting deadlines currently applicable to the CRS (ie, 30 April and 31 July, each as described above) are also the deadlines applicable to obligations of Cayman FIs under FATCA³ (there is no compliance form filing obligation under FATCA). Whilst no amendments to Cayman's FATCA framework are currently proposed – so these deadlines will remain the same – we anticipate that Cayman FIs will file both their CRS and FATCA submissions at the same time, in-line with the new deadlines, when they come into effect.

Requirement to have a Cayman PPOC

A further practical change being implemented from 1 January 2026 is that Cayman FIs will be required to have a PPOC *in the Cayman Islands*. This means that FIs who have delegated this role should check that this requirement will be met, particularly where they have appointed a non-Cayman fund administrator to provide CRS services. Mourant has a licensed entity within the Cayman Islands which can provide this service, as well as other CRS expertise.

Any new FIs established in 2026 must comply with this obligation (and must register with the TIA by 31 January 2027 with the required information regarding their Cayman-based PPOC). However, FIs which register with the TIA prior to 1 January 2026 will have until **31 January 2027** to submit a change form to the TIA with details of a Cayman-based PPOC.

³ The US Foreign Account Tax Compliance Act, which requires FIs outside the US to report information on financial accounts held by their US customers to the US Internal Revenue Service.

Funds launched in 2025 will, as noted above, technically have until 30 April 2026 to register with the TIA. However, if they do not register with the TIA prior to 1 January 2026, they will need to have appointed and register with a Cayman-based PPOC.

Amendments to the Standard

Expansion to include certain crypto and digital assets

As noted above, the Standard itself will be amended and expanded to, amongst other things, capture certain emerging or innovative assets, such as electronic money and central bank digital currencies, within the scope of the Financial Assets definition, as these new products are not captured under the current CRS framework. Additional definitions which will be amended for the CRS to cater for innovation in the use of e-money as an alternative to traditional assets are those of Central Bank Digital Currency, Crypto-Asset⁴, Depository Institution, Exchange Transaction, Fiat Currency, Relevant Crypto-Asset, and Specified Electronic Money Product.

Of importance for Cayman Islands investment funds, which are usually classified as Investment Entities (and, accordingly, FIs) under the CRS, the 'Investment Entity' definition will be expanded to include funds (and managers, where applicable):

- which invest, administer or manage Financial Assets, money or Relevant Crypto-Assets on behalf of other persons; or
- the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets, provided they are managed by another FI.

In practical terms, FIs and their service providers will be required to, update their systems, policies and procedures (where applicable) to identify and classify the new asset types of financial accounts. This may involve a review of existing client accounts to determine if they fall within the new, expanded framework.

It is worth noting that CRS 2.0 is intended to sit alongside the OECD's Crypto-Asset Reporting Framework, or 'CARF'. CARF will require reporting on crypto transactions, whereas the CRS will require FIs to report holdings of crypto assets; ie, of digital money, such as electronic money products and digital central bank currencies and investments in crypto assets.

Increased due diligence requirement

Under the amended Standard, Cayman FIs will need to obtain valid self-certifications with respect to individual or entity account holders (ie, investors) and their controlling persons (where applicable).

Accordingly, FIs or their service providers should check (a) their policies and procedures to ensure that this is required in practice and (b) the self-certifications obtained in practice, to ensure that FIs have valid self-certifications for all applicable persons and are compliant with the new requirement.

Additional reporting obligation

Cayman FIs will need to collect and report additional information under the Standard from 1 January 2026, including:

- the type of account, including whether a financial account is a joint account;
- whether an account is a pre-existing account or a new account; and
- the role of equity interest holders of Investment Entities which are legal arrangements (ie, trusts or partnerships), though there are transitional provisions dealing with the reporting of this information for the 2025, 2026 and 2027 reporting periods.

Information reported to the TIA under the CRS must also be adequate, accurate and current, with 'adequate' meaning that the information/report contains all the details specified in the amended CRS Regulations.

⁴ Meaning "a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions".

Next steps

Mourant has dedicated teams of legal and governance services professionals who can help you with understanding or implementing your obligations under the CRS. Please reach out to your usual contact or one of the contacts named below for more information.

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