

Six new jurisdictions adhere to joint statement on CARF implementation

As jurisdictions that play host to active crypto markets, we therefore intend to

exchange agreements in time for exchanges to commence by 2027, subject to

national legislative procedures as applicable. In order to ensure consistency and a

smooth implementation for both business and governments, those of us that are

signatory jurisdictions to the Common Reporting Standard will also implement, in

applicable, amendments to this standard as agreed by the OECD earlier this year.

We invite other jurisdictions to join us with a view to enhancing the global system

of automatic information exchange which leaves no hiding places for tax evasion.

line with the above timeline and subject to national legislative procedures as

work towards swiftly transposing the CARF into domestic law and activating

increases the burden on those who pay their taxes.

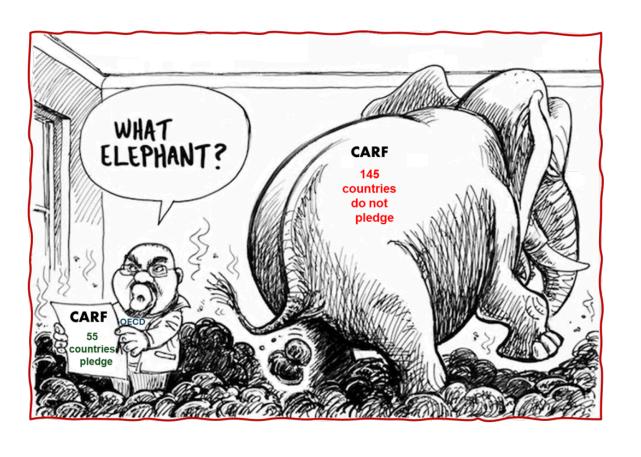
The OECD announced in a press release issued on 1 December 2023 at the conclusion of the 16th plenary meeting of its Global Forum on Transparency and Exchange of Information for Tax Purposes that

Bermuda, Colombia, the Faroe Islands, Indonesia, Mauritius, and Monaco

have expressed their intention to implement the Crypto-Asset Reporting Framework (CARF) developed by the OECD for the reporting and exchange of information with respect to crypto assets, in time for exchanges of information to commence by 2027.

The six jurisdictions join 48 others who previously announced their intentions to implement the CARF in a joint statement issued on 10 November 2023

Not so fast



CARF is not a minimum BEPS action. Note that only a handful of countries outside EU implemented BEPS action 12, mandatory disclosure rules because it was not prescriptive.
Nor does the Global Transparency Forum peer review if members implement BEPS

actions that are not mandatory.
 However, third world countries have mixed attitudes towards CARF. On the supporters' side, Chile's Minister of Finance said CARF will help maintain progressive global fiscal transparency, and its audit-related head said this automated exchange of information speeds up the audit process and improves audit efficiency, citing the need for proper handling and protection of financial consumer data. South Africa was the only African country to join CARF, and the head of the organization said that signing the agreement would help South Africa keep up with the rapid development of the crypto-asset market.
 Some countries have not reached a unified view on the implementation of CARF, such as Brazil, which is a contracting state, but recently the Brazilian Congress has conducted a number of debates on CARF, and the opposing side believes that the implementation of CARF will reduce the efficiency of the implementation of tax litigation and substantially

increase the related administrative costs.
 The implementation of CARF demonstrates the government's intent to gain access to information and expand control over the movement of crypto-assets. However, national attitudes towards CARF reflect differences in national perspectives. Some commentators have stated: CARF's rules should be translated into domestic tax legislation, In order to adapt to CARF, tax compliance procedures for many companies will need to be adjusted in the future, and operating costs may temporarily increase as compliance with these

standards will bring new requirements, which may be passed on to vendors in the form of fees charged to consumers.
While CARF represents an important international effort to standardize crypto taxes, it is not the only agreement, and other international agreements for the exchange of tax information involving cryptocurrencies are moving forward.
In October 2023, the Council of the European Union formally adopted DAC8, a cryptocurrency tax reporting rule that gives the taxman jurisdiction to monitor and assess every cryptocurrency transaction within any EU member state. CoinBase's analysis notes

the MiCA framework.DAC8 requires all EU-based crypto Asset Service Providers (CSPs) in the EU to report on the transactions of their EU clients in order to support anti-money laundering and anti-tax evasion. In addition to restricting crypto-assets, DAC8 also applies to financial institutions that issue central bank digital currencies (CBDC).
As international regulatory frameworks, CARF and DAC8 will not come into effect naturally, but require member states to enact domestic laws to implement them. With reference to past experience, DAC8 within the EU will soon be in place, but it will take time for CARF to be fully in place. The convergence of CARF and DAC8 reflects the efforts made globally on encryption tax regulation.

that DAC8's crypto-legal provisions complement the anti-money laundering rules under

USA support of the pledge... a joke

We promised equivalent reciprocal reporting a decade ago. And now they believe we will exchange info on crypt

I strongly suggest that ignorant dweebs celebrating in social media about US joining AEol should study IRS REV-PROC-2023-36
 As usual the US Treasury and IRS are always shooting from the hip, making promises

about AEoI which they have no power to pass regulations.
The expression writing a check their ass can't cash, comes to mind.
Yet everytime someone from Treasury or IRS makes an announcement that AEoI is

coming, the dummies on Linkedin crawl out the woodwork to celebare this crap
 When SIF recently upgraded FATCA from IGA-2 to IGA-1, igorant idiots in Switzerland were opining "finally, at last, we've waited so long for this... etc."
 US legislation to exchange info automatically (or even on request) requires approval of

both houses of Congress., Hous eof Repr and Senate.
Can you hear what the Republicans say about this? No, you can't because they are still laughing their heads off.
In any event, US would only permit the countries that are considered safe to to receive

the reciprocal AEoI information, including for the Crypto Asset Reporting Framework (CARF).
This measily list is currently 51 countries

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So what is the US Treasury statement about supporting the other countries pledging to join CARF?

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EU tries to make CARF extraterritorial

• The EU **Directive on Administrative Cooperation** update 8 (**DAC8**) requires **all** Reporting Crypto Asset Service Providers (RCASPs), irrespective of their size or **location**, irrespective if individuals or entities, to report transactions of **clients residing in the EU**.

 The proposal covers both domestic and cross-border transactions and requires EU and non-EU CASPs with EU clients to register in a Member State to fulfil their reporting obligations.

This extra-territorial (over) reach is aimed to impact non-EU RCASPs serving EU clients.
It remains however to be seen if and how the EU will enforce this looney toons requirement on non-EU RCASPs.

We all await with bated breath to see how this will be enforced
Ex EU-RCASPs will need to put processes and controls in place to ensure that their EU clientele is reported as required, unless an exception applies.

Mark Morris

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