



CRS ENFORCEMENT GUIDELINES SAINT LUCIA

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1. ABBREVIATIONS

AEOI- Automatic Exchange of Financial Account Information

CA- Competent Authority

CRS- Common Reporting Standard

CTS- Common Transmission System

EOI- Exchange of Information

OECD-Organisation for Economic Co-operation and Development

NRFI- Non Reporting Financial Institution

RFI- Reporting Financial Institution

2. BACKGROUND

The Automatic Exchange of Financial Account Information Act, Cap. 12.27 (AEOI Act) gives legislative force to Saint Lucia's obligation and commitment to obtain and share financial account information obtained from RFIs as framed in the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. This commitment ensures that Saint Lucia joins the fight against tax evasion and avoidance.

It is critical for the Competent Authority (CA) to ensure that RFIs have in place robust measures for identifying, documenting and storing of the information necessary to be shared with foreign tax authorities. Failure to do so will result in the utilization of enforcement measures as detailed below.

The AEOI Act gives the CA the legal mandate to ensure the effective implementation of the Common Reporting Standard (CRS, Standard) in Saint Lucia. These guidelines set out how the CRS requirements will be enforced, with the aim of promoting voluntary compliance and the sanctions for non-compliance. These guidelines should help practitioners better understand the legislation and meet the standards required for deemed compliance.

3. INTRODUCTION

The Automatic Exchange of Financial Account Information (AEOI) is an international standard which was adopted by Saint Lucia in 2016. This automatic exchange forms part of a global initiative to combat tax evasion and avoidance, which are often closely linked to money laundering and terrorist financing.

In order to support the effective implementation of the Standard, the CA undertook a comprehensive outreach programme which included issuing guidelines, conducting desk-based reviews and on-site visits, and engaging with individual RFIs and RFI groups.

Given these sustained efforts, the onus now rests on RFIs to apply the guidance and directives provided in order to meet the requirements of the Standard. Audit reviews and findings letters were issued in 2025, and commencing in 2026, the CA will re-evaluate the overall compliance position of RFIs. It is hoped that collaboration and understanding will prevent the use of enforcement procedures.

All aspects of CRS compliance must be prioritised. **RFIs are expected to have appropriate training, resources, internal controls, and procedures in place to ensure ongoing compliance.** While the CA will continue to provide technical guidance and support, the provision of this **support does not relieve RFIs of their statutory obligations or their exposure to enforcement action in cases of non-compliance.**

The AEOI Act establishes penalties for failures to comply with obligations imposed under the Standard, including failures relating to reporting, due diligence, record keeping, the submission of accurate information, and the provision of information requested by the CA. Penalties may apply where RFIs fail to meet their obligations within the required timeframes or where significant compliance deficiencies are identified. These Enforcement Guidelines are intended to provide RFIs with a general understanding of the CA's enforcement approach and the factors that may be considered during compliance reviews, audits, and enforcement proceedings.

4. PURPOSE

This document sets out the legal and procedural guidelines for the enforcement of the due diligence, record keeping and reporting requirements of the CRS in Saint Lucia. It should be used in conjunction with the Standard for the Automatic Exchange of Financial Account Information in Tax Matters, the AEOI Act, the CRS Guidelines of Saint Lucia and any other authorised CRS documents recommended by the Organisation for Economic Co-operation and Development (OECD) and the CA of Saint Lucia.

5. LEGAL FRAMEWORK

In accordance with sections 5B and 6 of the AEOI Act, RFIs are required to provide the CA with all required information and the CA may in turn visit their premises to review both reported and unreported information to test compliance with the Act. In addition, pursuant to subsections 7 and 8, a RFI that wilfully tampers with, alters, destroys, damages or conceals any information requested by the CA will be liable to a penalty of XCD 50,000.

5.1 Power to Obtain Information

The CA is required to obtain information from RFIs in order to ensure the effective implementation of the Standard.

5.1.1 Power to require the production of information

Section 5B

(1) The Competent Authority may, to monitor compliance by a Reporting Financial Institution with this Act, serve a notice in writing on the Reporting Financial Institution to provide information under this Act.

(2) A notice issued under subsection (1) must —

- (a) contain details of the information required;*
- (b) identify the purpose for which the information is requested and the manner in which it will be used;*
- (c) inform the Reporting Financial Institution of the confidentiality and data safeguards under which the information provided will be protected;*
- (d) direct the Reporting Financial Institution to deliver the information;*

- (e) specify the time within which the information sought in the notice is to be delivered to the Competent Authority.*
- (3) A Reporting Financial Institution may, in writing, request an extension of time to comply with a notice issued under subsection (1).*
- (4) The Competent Authority may extend the time specified in the notice issued under subsection (1).*
- (5) A Reporting Financial Institution that is directed by a notice to deliver information to the Competent Authority shall deliver that information to the Competent Authority in accordance with the notice.*
- (6) Where a Reporting Financial Institution fails to comply with a notice issued under this section, a public officer authorized by the Competent Authority may apply to a magistrate for a warrant for the purpose of enforcing the notice.*
- (7) A Reporting Financial Institution shall not —*
- (a) in, or in connection with, delivering information under this section, wilfully tamper with or alter any information or any part of the information so that the information or any aspect of it is false when received by the Competent Authority;*
 - (b) wilfully alter, destroy, damage or conceal any information required by the Competent Authority under this section.*
- (8) A Reporting Financial Institution that contravenes subsection (7) is liable to a penalty of \$ 50,000.*

5.1.2 Power to enter premises to obtain information

Section 6

- (1) The competent authority may at all reasonable times, enter any premises or place of business of a Reporting Financial Institution for the purposes of —*
- (a) determining whether information —*
 - (i) included in a return by the Reporting Financial Institution is correct and complete, or*
 - (ii) not included in a return was correctly not included; or*
 - (b) examining the procedures put in place by the Reporting Financial Institution for the purposes of ensuring compliance with the obligations of the Reporting Financial Institution under this Act.*

5.2 Penalties

The decision on whether, and what penalties, are to be imposed will be made with due consideration to:

- ✚ The scale and nature of the non-compliance (including its impact on the effective exchange of complete and accurate information).
- ✚ The behaviour of the non-compliant person before the non-compliance was detected (for example, the reasonableness of the actions taken or the duration of the non-compliance), or
- ✚ Whether it was the Reporting Financial Institution itself that identified and corrected the non-compliance, or whether it was identified by the Competent Authority.
- ✚ The behaviour of the non-compliant RFI after the non-compliance was detected (for example, the reasonableness of the actions taken).
- ✚ The duration of the non-compliance.

Please note: Penalties may be applied even where the underlying instances of non-compliance have subsequently been addressed.

All RFIs are required to comply fully with the due diligence, record keeping and reporting requirements of the CRS, **including the timely and accurate filing of returns**. Late filing penalties are automatic and non-appealable. This applies where an RFI has not requested or been granted an extension of time to file. RFIs are expected to work constructively with the CA to ensure the effective implementation of the Standard within the jurisdiction.

RFIs should not depend on the CA to identify compliance deficiencies, proceed to remedy those deficiencies, and then expect to avoid penalties. Where the CA identifies a deficiency, the RFI is expected to conduct a comprehensive review of its accounts and procedures. **The audit process uses a sample and therefore the CA is not in a position to identify all affected accounts**. Where a deficiency identified by the CA remains unaddressed, and the RFI cannot demonstrate concrete steps taken to remedy the same, this will constitute a failure to follow the instructions of the CA, which is subject to penalties under section 16.

It is important to note that the failure of third parties to meet their obligations is not a reasonable excuse for an RFI's failure to meet the requirements of this Act. Accordingly, subsection 15(b) states:

Subsection 15(b)- Third parties

(b) the Reporting Financial Institution is responsible for any failure of that third party to carry out the obligations of the Reporting Financial Institution and this Act applies to the Reporting Financial Institution notwithstanding that —

- i) the actions were the action of that third party, or*
- ii) the failure to act was the failure by that third party to act.*

RFIs will therefore not be shielded from penalties for any deficiencies which arise from third party engagements.

All aspects of CRS compliance must be prioritised. **RFIs are expected to have appropriate training, resources, internal controls, and procedures in place to ensure ongoing compliance.**

While the CA will continue to provide technical guidance and support, the provision of this **support does not relieve RFIs of their statutory obligations or their exposure to enforcement action in cases of non-compliance.**

5.2.1 Civil Penalties

Section 16 of the AEOI Act provides the legal basis for the civil penalties which the CA can impose on RFIs. The penalties are broken down into three (3) categories which are provided below.

Section 16

Failure to file:- XCD 5,000 one time penalty and XCD 2,000 for every month or part thereof that failure continues:

(1) A Reporting Financial Institution or a person who fails to comply with a duty or obligation imposed under this Act or Regulations is liable to a penalty of five thousand dollars for such failure and a penalty of two thousand dollars for each month or part of the month that the failure continues.

False Statement or omission penalty of XCD 50,000:

(2) A Reporting Financial Institution that makes a false statement or omission in respect of information required to be included on a return, under this Act is liable to a penalty of \$50,000.

Failure to comply with a directive from CA:- penalty of XCD 50,000:

(3) A Reporting Financial Institution that does not comply with the requirement of the competent authority in the exercise or performance of the competent authority's powers or duties under this Act is liable to a penalty of \$50,000.

Section 5B (7-8)

Wilful tampering with, altering, destroying, damaging, concealing:- penalty of XCD 50,000.

(7) A Reporting Financial Institution shall not —

(a) in, or in connection with, delivering information under this section, wilfully tamper with or alter any information or any part of the information so that the information or any aspect of it is false when received by the Competent Authority;

(b) wilfully alter, destroy, damage or conceal any information required by the Competent Authority under this section.

(8) A Reporting Financial Institution that contravenes subsection (7) is liable to a penalty of \$ 50,000.00.

Administrative penalties may be imposed by the Competent Authority in accordance with the Act.

5.2.2 Criminal Penalty

Section 23 provides the criminal penalty which can be imposed against a Reporting Financial Institution.

Section 23

Refusal or failure to provide information fine up to XCD 50,000.

A Reporting Financial Institution which refuses to or fails to provide any information commits an offence and is liable on summary conviction to a fine not exceeding \$50,000.

Criminal penalties may be imposed only following a court hearing and a judicial determination.

6. RESPONSIBILITY

6.1 Responsibility of RFIs

All RFIs are responsible for developing proper due diligence procedures and applying them in practice, as well as establishing procedures for keeping records, and making notes of the steps undertaken and the information relied upon to operationalise their due diligence procedures. Where RFIs fail to meet these obligations, they will be subject to penalties for improper due diligence or improper record keeping.

RFIs are responsible for:

- a) developing and implementing proper due diligence procedures.
- b) developing and implementing adequate record keeping procedures in order to keep proper records for up to 6 years including the steps undertaken and the information relied upon during the operationalisation of their due diligence procedures.
- c) ensuring that their staff are trained and given the proper tools to complete the required tasks.
- d) registering and submitting timely, accurate, and complete returns on the IRD AEOI Portal to facilitate filing (aeoi.govt.lc).

Although the CA will give periodic filing reminders and issue guidelines, the RFI is ultimately responsible for ensuring that returns are filed in a timely and accurate manner.

An RFI may request a filing extension if it encounters filing difficulties. Requests must be made on an official company letterhead and must be signed by a senior manager. The request should indicate the reason for the delay and give a reasonable timeframe within which returns will be filed.

In general, **no extensions will be given past 15 September** of any given year for the returns associated with the prior year. RFIs are therefore encouraged to commence the filing process early enough to allow sufficient time for completion.

6.1.1 Due Diligence Requirements

A Reporting Financial Institution shall commence due diligence procedures in Sections II to VII of the Standard on identifiable Reportable Accounts from January 2017.

6.1.2 Record Keeping

In accordance with section 14, RFIs must maintain records used to meet their CRS obligations. This includes CRS self-certifications, AML/KYC documents already collected during customer due diligence, and records of efforts made to obtain missing information.

Documents requested by the CA must be provided in English. Certified translations may be required where necessary.

6.1.3 Records

Section 14

(1) A Reporting Financial Institution shall keep records that it obtains or creates for the purpose of complying with this Act, including self-certifications and records of documentary evidence.

(2) A Reporting Financial Institution required by this Act to keep records that does so electronically shall retain them in an electronically readable format for the retention period referred to in subsection (4).

(3) A Reporting Financial Institution that obtains or creates records, as required under this Act, in a language other than English shall, upon request, provide an English translation to the competent authority.

(4) A Reporting Financial Institution that is required to keep, obtain or create records under this Act shall retain those records for a period of at least 6 years following —

(a) in the case of self-certification, the last day on which a related financial account is closed; and
(b) in any other case, the end of the last calendar year in respect of which the record is relevant.

6.1.4 Filing CRS Returns

In accordance with section 10, RFIs are required to file a return by 31 July each year. Filings must be submitted before midnight on the filing deadline.

Where an RFI is unable to meet the deadline due to exceptional circumstances, the RFI may submit a written request for an extension to the CA. Requests must be submitted on the RFI's letterhead, signed by a senior manager, and submitted **at least one** week before the filing deadline.

Valid reasons for an extension include, but are not limited to, significant system failures, technical issues affecting the generation or submission of reports, or other exceptional circumstances outside the RFI's control.

Staffing constraints or the unavailability of staff will generally **not be considered valid reasons for an extension**. RFIs are therefore expected to ensure that sufficient personnel are trained to complete the filing process.

Requests for extension will be approved at the discretion of the CA and will be considered on a case-by-case basis, taking into account factors including the nature of the issue affecting the RFI, the RFI's compliance history, and the proposed filing date. **Please note that any extension granted will not extend beyond 15 September of the year.**

The granting of an extension will not remove the initial late filing penalty of XCD 5,000 as prescribed by the AEOI Act.

6.1.5 Return

Section 10

(1) A Reporting Financial Institution shall, in respect of the calendar year 2017 and every subsequent calendar year, make a return setting out the information required to be reported under Section I of the Standard in relation to a Reportable Account that is maintained by the Reporting Financial Institution.

(2) A Reporting Financial Institution shall submit the return under subsection (1) to the Competent Authority on or before the 31st day of July of the year following the calendar year to which the return relates.

(3) A Reporting Financial Institution shall treat an account balance with a negative value as having a nil value.

Please note that zero value accounts, including cash surrender and annuity contracts with relevant indicia are also reportable under the Standard. Dormant or closed accounts that were reportable during the reporting period must not be omitted. Omitting these will constitute an incomplete filing, which attracts penalties.

6.1.6 Amended Returns

Subject to section 12, amendments (including reporting of new accounts which were previously omitted) and corrections must be done in a timely manner in accordance with directions provided by the CA.

6.1.7 Amendment and Correction to Return

Section 12

A Reporting Financial Institution shall make any amendment and correction to information submitted in a return, upon request by the competent authority within the time frame specified by the competent authority.

6.2 Reasonable Excuse

Under section 17 of the Act, an RFI will not be liable to a penalty where the CA or a court of competent jurisdiction is satisfied that there is a reasonable excuse for the failure. **This does not preclude RFIs from making efforts to adhere to the statutes of the legislation**, especially given the timeframe the CA has already allowed for issues to be addressed.

Reliance on a third party is not deemed a reasonable excuse.

6.2.1 Liability to penalty

Section 17

(1) Subject to subsection (4), liability to a penalty does not arise if the Reporting Financial Institution satisfies the competent authority or a court of competent jurisdiction that there is a reasonable excuse for the failure.

(2) For the purposes of this Act the following is not a reasonable excuse —

(a) that there is an insufficiency of funds to perform an act; or

(b) that a Reporting Financial Institution relies on another person to perform an act.

(3) If a Reporting Financial Institution had a reasonable excuse for a failure but the excuse no longer exists, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse existed.

(4) This section does not apply to section 16(1).

6.3 Responsibility of the CA

The CA is responsible for providing RFIs with information, a functional portal, CRS guidelines and technical filing assistance. RFIs must approach the CA within a reasonable timeframe (at least 15 days before the filing deadline), for this assistance. Please note that individual RFI issues arising just before the filing deadline will not automatically lead to the approval of a filing extension request. **All queries and requests should be emailed to aeoisupport@ird.gov.lc.**

The CA will assess CRS penalties annually and RFIs will be provided with correspondence in addition to the notice of assessment. **The correspondence will indicate the reason for the penalty and provide the timeframe within which remedial action must be undertaken.**

6.3.1 Assessment of Penalty

Section 18

- (1) If a Reporting Financial Institution becomes liable to a penalty, the competent authority shall —
 - (a) assess the penalty; and*
 - (b) notify the Reporting Financial Institution in writing of the assessment.**
- (2) An assessment of a penalty shall be made within the period of twelve months beginning with the date on which —
 - (a) the Reporting Financial Institution became liable to the penalty; or*
 - (b) the inaccuracy first came to the attention of the competent authority.**

6.3.2 Enforcement of Penalty

Penalties must be paid by entities within the stipulated 30 day period, failing which additional charges will be applied. **Lodging or intention to lodge an objection or appeal does not remove the requirement that the penalties be paid.**

Section 19

- (1) A Reporting Financial Institution shall pay —
 - (a) any penalty imposed for failure to submit a return or for failure to submit a correct return;*
 - or*
 - (b) any other penalty.**
- (2) A penalty under this Act shall be paid to the competent authority within 30 days after the date on which notification under section 18 is provided in respect of the penalty.*
- (3) If any amount in respect of a penalty is not paid by the due date described in subsection (2), a Reporting Financial Institution shall pay a penalty of \$500 for each month or part of the month the Reporting Financial Institution fails to pay the penalty.*
- (4) The obligation to pay a penalty is not suspended as a result of an objection under section 20 or an appeal under section 22.*
- (5) If an objection is determined in favour of the Reporting Financial Institution or a court of competent jurisdiction allows an appeal, the amount paid as a penalty shall be refunded to the Reporting Financial Institution.*

7. RESOURCES

RFIs must ensure that adequate resources are allocated to meet their legal obligations under the CRS. This includes, but is not limited to, appropriate staffing, training, software, and internal procedures.

8. ENFORCEMENT PRINCIPLES

Enforcement actions are applied objectively and evenly across all RFIs, with similar breaches attracting similar responses, and all decisions documented to ensure traceability and justification. Although a corrective approach was initially adopted, allowing RFIs the opportunity to address identified issues, penalties may be applied even if the RFI has started to address or has fully addressed the instance(s) of non-compliance. This determination depends on a range of factors, including the nature and duration of the non-compliance.

The Competent Authority ensures that desktop and on-site audits provide comprehensive details of findings and recommendations, and that Reporting Financial Institutions are given the opportunity to provide clarifications where necessary. **However, this engagement does not extend to further consultation regarding the final risk rating or any enforcement actions, which are determined by the Competent Authority. The Competent Authority will consider all evidence, explanations, and documents submitted by the specified deadline.**

The findings documents provided are prepared in a manner to ensure that RFIs clearly understand:

- ✚ what non-compliance has occurred;
- ✚ what evidence supports the findings;
- ✚ what must be done to remedy the situation and within what timeframe;
- ✚ possible next steps whether or not the entity has complied at the time of the reassessment.

9. CIRCUMVENTION

Pursuant to section 24, the CA may enforce the requirements of the Act where circumvention has been detected. Where such circumvention is identified, it must be corrected, and the penalties provided for under sections 16 and 23 will apply.

9.1 Anti-Avoidance

Section 24 of the Act states:

If a person enters into any arrangements or engages in a practice, the main purpose of which can reasonably be considered to be to avoid an obligation imposed under this Act or Regulations made under this Act, the person is subject to the obligation as if the person had not entered into the arrangement or engaged in the practice.

10. APPLICATION OF PENALTIES

This section summarises the penalties which may arise and provides some scenarios in which they may be levied. The list is not exhaustive.

10.1 Late Filing Penalty

This offence carries a one-time administrative penalty of XCD 5,000 and XCD 2,000 for every month or part thereof that the filing is not submitted, and will be levied within 12 months of the CA recognising the issue. The late filing penalty is automatic and non-appealable. Late filing penalties will be applied where:

- ✚ The CA had not issued a general filing extension to all RFIs. This may arise in response to force majeure or technical issues which affected all FIs; or
- ✚ An RFI has not applied for or been granted an extension to file.

10.2 Improper Due Diligence

The improper due diligence penalty may be applied for a number of reasons, some of which are provided below. This offence carries an administrative penalty of XCD 50,000 and may be imposed within 12 months of the Competent Authority recognising the issue. The scenarios below explain when the improper due diligence penalty will be levied. Please note that the list is not exhaustive.

Deficiencies in due diligence include but are not limited to:

- Failure to obtain valid self-certifications;
- Failure to validate self-certifications within the required timeframe;
- Failure to obtain self-certifications for both Account Holders and Controlling Persons (where applicable);
- Failure to identify and document Controlling Persons, where applicable;
- Misclassification of account holders or entities;
- Failure to obtain required information, including TINs where applicable;
- Failure to maintain adequate records.

10.2.1 Missing Self-certification

CRS Self-certification forms part of account opening documentation, for all accounts created after 1st January 2017, **and must be obtained at onboarding**. Failure to obtain appropriate (containing the required fields and questions) and complete (signed and dated) self-certification will incur penalties. **An incomplete self-certification form is deemed missing.**

The CRS does not exempt minors (persons under the age of eighteen (18) years) from the requirement to provide valid self-certifications. Where an account is opened for or on behalf of a minor, the individual acting in that capacity is responsible for completing the self-certification.

Please note that Reporting Financial Institutions **must obtain valid self-certifications for both Account Holders and Controlling Persons**, where applicable, in accordance with the CRS due diligence requirements.

10.2.2 Invalid Self-certification

RFIs have 90 days within which to validate the self-certification documents which have been received. Validation includes, but is not limited to: i) determining the reasonableness of the self-certification forms, ii) using information from various sources like the internet to investigate claims, and iii) reviewing the OECD TIN list to determine whether the information provided is accurate. If the RFI determines that the self-certification is invalid, then strong measures must be taken to ensure that a correct replacement document is obtained within the 90 day timeframe.

There are many instances where the information provided on self-certification forms is clearly inaccurate; where appropriate checks, additional questions and/or staff training would help to identify the issues. Whereas the CA cannot mandate RFIs to withhold account onboarding until the self-certification has been validated, the RFI is assuming the risk when accepting self-certification documents which have not been validated. In time, account holders or their controlling persons, will also be penalised for providing a false self-certification.

10.2.3 Inadequate Self-certification Documentation

The CA has informed RFIs of the data elements that must be captured on self-certification forms. Where a form fails to request the required information or ask the appropriate questions, CRS due diligence requirements are not met. **Persons presenting Saint Lucian documentation ARE NOT EXEMPT from the requirement to fill out self-certification forms. Everything must be validated.** Special attention must also be paid to persons presenting documentation from CBI/RBI jurisdictions.

- ✚ Self-certification must also be completed by **all required parties** when New Accounts are opened, including:
 - all holders of joint accounts (including minors);
 - Controlling Persons of Passive Non-Financial Entities.

10.2.4 Missing AML documentation

The effectiveness of the CRS depends heavily on the presence of supporting documentary evidence. This is the same documentation that is required for AML purposes. For instance, a local bill **MUST NOT** be used to validate a foreign address, neither can the voters' list. Also refrain from using information obtained from other local banks because this rests on the assumption that the institution has done the requisite due diligence to verify the addresses. Experience has shown that direct investigation is more reliable than relying on third party sources who may not have put in the work. Remember the penalties will be levied on your institution and not on the third party.

Financial statements from entities are also critical in determining their status under the CRS and must be requested.

10.2.5 Lack of and/or Inadequate Due Diligence and Record Keeping Procedures

RFIs are legally required to establish and maintain appropriate due diligence and record keeping procedures. Where procedures are provided to the CA, the CA will review and make recommendations. The expectation is that visible improvements to the procedure will be apparent upon the next review.

The onus rests on RFIs to:

- ✚ develop appropriate procedures;
- ✚ ensure that those procedures are implemented effectively;
- ✚ ensure that all relevant staff are adequately trained;
- ✚ test and update the procedures periodically;
- ✚ ensure that all relevant documentation is obtained from potential account holders;
- ✚ keep adequate records, including self-certification for up to six (6) years.

Due diligence documentation that is not demonstrably implemented in practice is not acceptable.

10.3 Reporting Issues

Reporting Financial Institutions are required to ensure that all information submitted to partner jurisdictions is accurate, complete, and properly validated. Inaccurate reporting carries an administrative penalty of XCD 50,000 and will be levied within 12 months of the CA recognising the issue. Penalties may be imposed for breaches, including but not limited to the following:

- ✚ Missing Dates of Birth (individual Account Holders and Controlling Persons);
- ✚ Missing TINs on new accounts when one should have been obtained.
- ✚ **Absence of both TIN and Date of Birth (incomplete filing);**
- ✚ NFN instead of first names being provided;
- ✚ Missing addresses;
- ✚ Lack of or inaccurate payment data;
- ✚ Missing accounts;
- ✚ Missing joint account holders;
- ✚ Reporting to wrong jurisdictions;
- ✚ Reporting to some but not all jurisdictions of tax residence.

10.4 Failure to Comply

During the audit process the CA will provide RFIs with specific instructions geared towards improving their compliance with the requirements of the Standard. Findings letters containing both time bound instructions and recommendations will also be issued.

Failure to comply with a directive issued by the Competent Authority in the exercise of its powers or duties under the AEOI Act constitutes an offence and may result in an administrative penalty of XCD 50,000, which may be imposed within 12 months of the Competent Authority recognising the infraction.

Please note that the audits represent a sample of accounts and that RFIs are required to follow through on all recommendations in a tangible and timely manner, including but not limited to, the following:

- ✚ Reviewing accounts;
- ✚ Updating/Obtaining accurate self-certification documents;
- ✚ Rectifying system glitches;
- ✚ Filing missing account information;
- ✚ Filing corrections;
- ✚ Updating procedures;
- ✚ Updating/correcting information on the system;
- ✚ Training staff;
- ✚ Addressing shortcomings in their computer programmes;
- ✚ Improving their AML practices and procedures.

Where the CA identifies an issue within a sample, RFIs are expected to assess whether similar instances exist across their wider account base. Failure to investigate the matter thoroughly will result in penalties being levied if future audits reveal more instances, which the RFI failed to identify and address.

11. OBJECTIONS AND APPEALS

11.1 Objection Process

In accordance with sections 20 and 21 of the AEOI Act, an RFI in receipt of an Enforcement Notice can object, by writing to the CA, within 30 days of receipt of the CRS Enforcement Notice. The objection will be considered, and the Comptroller/Competent Authority (Delegate) may allow or disallow the penalty within 30 days of receipt of the Objection.

11.1.1 Right to object to penalty

Section 20

(1) Subject to subsection (2), a Reporting Financial Institution may object to the competent authority against a penalty assessment on the grounds that liability to a penalty under section 17 does not arise.

(2) This section does not apply to section 16(1).

11.1.2 Procedure on objection to penalty

Section 21

(1) Notice of an objection under section 20 shall —

(a) be provided to the competent authority, in writing, before the end of the period of thirty days beginning with the date on which notification under section 18(1) was provided; and

(b) set out the grounds for objection.

(2) The competent authority shall consider any valid objection made and may confirm or disallow the penalty by notice in writing, within thirty days of receipt of an objection.

An RFI cannot object to a late-filing penalty.

11.2 Appeal Process

Entities which wish to appeal should write to the Appeals Commission. A Notice of Appeal should be lodged in writing with the Secretary of the Appeal Commissioners appointed by Cabinet, as per section 108 of the Income Tax Act, Cap. 15.02 within 30 days of the date of service of the CRS Enforcement Notice. A copy of said appeal must also be lodged with the Comptroller/Competent Authority (Delegate)

The Appeals Commission will convene a hearing at which point the RFI and CA will present their cases. On any appeal, the burden of proof will be on the appellant. Both the CA and appellants shall bear their own costs unless the Appeals Commission decides otherwise.

The Secretary of the Appeal Commission will notify the Appellant and CA of the hearing at least 30 days before it is scheduled. At each hearing the CA or Appellant is entitled to appear in person or by a representative.

The CA or the Appellant may within 30 days appeal to the High Court for any decision of the Appeal Commissioners which involves a question of law, including a question of mixed fact and law.

The CA or the Appellant may within 30 days appeal to the Court of Appeal from any decision of the High Court (being a decision of the High Court on an appeal from the Appeal Commissioners) which involves a question of law, including a question of mixed fact and law.

11.2.1 Notice of appeal

Section 22

- (1) A Reporting Financial Institution aggrieved by a decision of the competent authority under section 20 may, by notice of appeal, appeal to the appeal commissioners.*
- (2) Without prejudice to the Income Tax Act, Cap. 15.02, the appeal commissioners may confirm or cancel an assessment under this Act.*
- (3) The Income Tax Act, Cap. 15.02 relating to appeals apply in relation to appeals under this section as they apply in relation to an appeal against a tax assessment.*

12. CONCLUSION

Enforcement procedures for the CRS will commence in Saint Lucia from 2026 onwards. This is necessary to ensure the effective implementation of the AEOI Standard on the island. The CA urges all RFIs to implement the recommendations made over the years and to adhere to the stipulations of the AEOI Act in order to avoid penalties.

13. REFERENCES

Automatic Exchange of Financial Account Information Act, Cap. 12.27

CRS Guidelines (latest version)

Income Tax Act, Cap. 15.02

OECD (2017), Standard for Automatic Exchange of Financial Account Information in Tax Matters, Second Edition, OECD Publishing, Paris, <https://doi.org/10.1787/9789264267992-en>.