

CRS 2.0 in the British Virgin Islands: A Summary of Key Changes

Introduction to CRS 2.0

On 21 April 2026, the British Virgin Islands International Tax Authority ("ITA") released an updated edition of its Guidance Notes on the Common Reporting Standard ("CRS"), issued under the Mutual Legal Assistance (Tax Matters) Act, 2003 (as amended).

The update reflects the implementation of CRS 2.0 in the British Virgin Islands (the "BVI"), following amendments to the CRS published by the Organisation for Economic Co-operation and Development (OECD). CRS 2.0 has an effective date of 1 January 2026, meaning that BVI reporting financial institutions ("FIs") must collect the new information throughout the 2026 calendar year and report to the ITA by 31 May 2027.

The ITA has indicated that the April 2026 edition of the Guidance Notes does not represent a final position on CRS 2.0 implementation guidance. Additional clarifications and supplementary guidance are expected and the ITA will continue to amend the Guidance Notes and update its website throughout 2026 in preparation for the 2027 reporting cycle, being the first cycle in which CRS 2.0 data must be collected and submitted.

We will continue to monitor the ITA's website and publications on an ongoing basis to ensure that policies, procedures and reporting processes reflect the most current regulatory expectations ahead of the 2027 reporting cycle.

This article summarises the principal changes introduced by the updated Guidance Notes to date.

Expanded Scope of Financial Institutions and Financial Accounts

One of the most significant changes under CRS 2.0 is the broadening of the definition of 'depository institution' to capture e-money providers that were not previously categorised as depository institutions under the original CRS framework.

Accounts holding specified electronic money products or Central Bank Digital Currencies ("CBDCs") maintained at such providers now fall within the scope of CRS reporting. In addition, the amendments clarify that indirect investments in crypto-assets including those held through derivatives and investment vehicles are captured under CRS 2.0, thereby closing potential reporting gaps.

The description of depository accounts in the Guidance Notes has been correspondingly expanded to include accounts that hold specified electronic money products and CBDCs for customers, whether held in a centralised manner via an issuer or in a decentralised manner without the issuer's intermediation.

The ITA has also noted that the BVI intends to implement the Crypto-Asset Reporting Framework ("CARF") in 2027 / 2028. While CARF specifically addresses transactions in

crypto-assets, the CRS 2.0 amendments address holdings of financial instruments linked to crypto-assets, and the two frameworks are intended to operate in a complementary manner.

New Defined Terms

The updated Guidance Notes introduce new defined terms:

"Specified Electronic Money Product" – refers to digital representations of a single fiat currency that are issued on receipt of funds for the purpose of making payment transactions and are redeemable at par for the same fiat currency upon request.

"Central Bank Digital Currency" or "CBDC" – means any official currency of a jurisdiction that is issued in digital form by a central bank.

Clarification on Non-Reporting Financial Institutions

The updated Guidance Notes include additional wording to clarify that a central bank is not considered a non-reporting FI ("NRFI") when it holds CBDCs on behalf of non-financial entities or individuals.

Any central bank that has previously declared itself to be an NRFI must now conduct a review to ensure that it continues to satisfy the relevant criteria for NRFI status.

New Categories of Excluded Accounts

To accompany the expanded scope of depository accounts, CRS 2.0 introduces two new categories of excluded accounts designed to ensure that certain low-risk digital money products do not fall within the reporting framework. These are:

- (i) specified electronic money products whose value does not exceed a de minimis amount; and
- (ii) specified electronic money products that are created solely to facilitate the transfer of funds pursuant to customer instructions and that cannot be used to store value. These exclusions complement the broader definition of depository accounts by carving out products that present minimal risk of being used for tax evasion.

Statutory Definition of Resident in the Virgin Islands

The Mutual Legal Assistance (Tax Matters) Act, Revised Edition 2020, has been amended in 2026 to include a formal statutory definition of "Resident in the Virgin Islands."

Under this definition, a FI is resident in the BVI if:

- (a) it was incorporated or established in the BVI, including under the BVI Business Companies Act, 2004 (as amended) or the Partnership Act, 1996 or Limited Partnership Act, 2017;
- (b) it has a place of effective management as defined under paragraph 109 of the CRS Commentary; or
- (c) it is subject to financial supervision in the BVI, including entities licensed, regulated or supervised by the BVI Financial Services Commission.

While the substantive criteria are consistent with prior guidance, the change provides an explicit legislative basis for determining BVI FI residence.

Registration Requirements for Tax-Resident-Elsewhere Entities

Previously, BVI entities that qualified as FIs but were tax-resident in another jurisdiction were required to notify the ITA by email.

Under the updated Guidance Notes, these entities are now required to register on the BVIFARs portal and provide additional information regarding their jurisdiction of tax residence. This information should be included in the authorisation letter submitted during the BVIFARs registration process.

Entities must provide evidence that they are fulfilling their CRS obligations (e.g. filing their accounts) in their jurisdiction of tax residence. Where an entity is already filing in another jurisdiction, the ITA will not require duplicate filings in the BVI. However, such entities may be subject to spot checks to ensure ongoing compliance with CRS obligations.

Appointment of Secondary Users

The Guidance Notes now clarify the process for appointing Secondary Users within the BVIFARs portal.

Specifically, the Secondary User does not need to be "appointed by" the ITA, replacing the prior phrasing of "communicated to" the ITA. The Primary User of a BVI FI may appoint a Secondary User directly within the portal, reflecting the practical operation of the system.

Deregistration

Several changes have been made to the provisions governing the deregistration of BVI FIs.

An entity requesting deregistration on the grounds that it no longer meets the definition of a BVI FI must now clearly explain its change in circumstances. The estimated processing time for deregistration requests has been revised from "approximately 60 days" to reflect that the process "can likely take more than 60 days", depending on the nature of the BVI FI's change in circumstances.

The updates also address the interaction between deregistration and the 2023 amendments to the BVI Business Companies Act. Under those amendments, an entity that is struck off will be dissolved on the date the Registrar publishes a notice of the striking off in the Gazette.

An entity that has been notified of its impending strike-off and does not intend to show cause to the contrary will have 90 days from the date of notice to submit all necessary filings to the ITA.

Reporting Obligations

The Guidance Notes now emphasise that BVI FIs with Reportable Accounts must file a return on an annual basis.

CRS Additional Information Form

An entirely new Section 11 has been added to the Guidance Notes, introducing a requirement for all BVI FIs both reporting and non-reporting to file a CRS Additional Information Form via the BVIFARs portal.

The form is designed to assist the ITA in fulfilling its compliance obligations. The deadline for completion of the form is within nine months following the end of the relevant financial year, which under CRS runs from 1 January to 31 December. The first Additional Information Form was due in September 2025.

The information submitted through these forms will be used by the ITA to assign risk ratings of low, medium or high to each FI. FIs assigned a medium or high-risk rating may be subject to desk-based and on-site inspections conducted by the ITA.

Conclusion

The April 2026 update to the BVI ITA's CRS Guidance Notes represents a significant step forward in the BVI's implementation process of CRS 2.0.

BVI FIs should review their onboarding, due diligence, classification and reporting processes in light of the expanded scope of reportable accounts and assets, update written policies and procedures, ensure compliance with the new CRS Additional Information Form filing obligation and prepare for the forthcoming implementation of CARF.

As the ITA continues to disseminate information relating to CRS 2.0, we will continue to update you on developments.

At the Maples Group, we have a full-depth regulatory team across jurisdictions who can assist. For further information, please reach out to your usual Maples Group contact or any of the persons listed below.

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