

TAXPAYER SERVICES DIVISION

INTERNATIONAL TAX COMPLIANCE **Common Reporting Standard**

INDEPENDENT COMPLIANCE REVIEW GUIDELINES

The purpose of this document is to describe the procedures that must be followed in the event that a Reporting Financial Institution receives a notice to undertake a Common Reporting Standard Review, and in the event that the Reporting Financial Institution would like to select an independent review as opposed to having the Competent Authority conduct the Common Reporting Standard Review, including the Competent Authority's expectations on the information to be included in each CRS Compliance Review report submitted.

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Table of Contents

Table of Contents	- 1 -
Glossary	- 2 -
1 Introduction	- 3 -
1.1 Background	- 3 -
1.2 Purpose	- 4 -
1.3 Document Overview	- 4 -
2 Approach and risk assessment.....	- 6 -
2.1 Risk assessment framework	- 6 -
2.2 Notice to undertake a CRS Review	- 6 -
3 Review Requirements & Procedures	- 7 -
3.1 General requirements and guidance	- 7 -
3.2 Detailed procedures and requirements to be verified	- 8 -
3.2.1 Account identification and monitoring	- 8 -
3.2.2 Pre-existing individual account due diligence	- 9 -
3.2.3 New individual account due diligence.....	- 10 -
3.2.4 Pre-existing entity account due diligence	- 11 -
3.2.5 New entity account due diligence.....	- 12 -
3.2.6 Reporting systems and procedures.....	- 13 -
4 Administrative guidance	- 15 -
4.1 Timing of CRS Reviews	- 15 -
4.2 Independent reviewer qualification and approval	- 15 -
4.3 Format of the findings report	- 16 -
4.4 Report submission procedure.....	- 17 -
4.5 Competent Authority oversight and quality assurance	- 17 -

Glossary

Term	Description
AML	Anti-Money Laundering
Competent Authority	The officer(s) in the International Tax Compliance Unit at the CITA are charged with monitoring compliance with the CRS Regulations
CRS	The OECD's Common Reporting Standard, as implemented in by the CRS Regulations
CRS Guidance	Bermuda's Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters Guidance
CRS Regulations	Bermuda's International Cooperation (Tax Information Exchange Agreements) Common Reporting Standard Regulations 2017 and International Cooperation (Tax Information Exchange Agreements) Common Reporting Standard Amendment Regulations 2018, as amended.
CRS Compliance Review	CRS Independent Compliance Review
FI	Financial Institution
Independent Review Notice	Notice to undertake a CRS Independent Compliance Review, as issued by the Competent Authority
KYC	Know your client
OECD	Organisation for Economic Cooperation and Development
Primary User	The portal user who has been designated as the Principal Point of Contact for compliance with the CRS Regulations
RFI	Reporting Financial Institution
TDT	Trustee-Documented Trust
The Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
The Standard	The OECD's Common Reporting Standard, as implemented in Bermuda by the CRS Regulations
TIN	Taxpayer Identification Number or Tax Identification Number

1 Introduction

1.1 Background

The Common Reporting Standard (“CRS” or the “Standard”), developed in response to a G20 request and approved by the Organisation for Economic Co-operation and Development (“OECD”) Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other CRS partner jurisdictions on an annual basis. The Standard sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by all financial institutions.

The Standard consists of the following four key parts:

- i. A model Competent Authority Agreement (CAA), providing the international legal framework for the automatic exchange of CRS information;
- ii. The Common Reporting Standard (CRS);
- iii. The Commentaries on the CAA and the CRS; and
- iv. The CRS XML Schema User Guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (“The Global Forum”) is leading the global implementation of the Standard, through monitoring, assessing, and assisting in its implementation.

The Global Forum put in place a “Staged Approach” to monitor, assess and assist the implementation of the Standard during the implementation process. This started with assessments of the confidentiality and data safeguard standards in place in each jurisdiction, followed by the assessment of the domestic legal frameworks being put in place to ensure financial institutions collect and report the information to be exchanged, and a mechanism to facilitate exchange agreements being put in place between all interested appropriate partners. The Global Forum is now focusing on assessing the effectiveness of the implementation of the Standard in practice.

Bermuda signed a Multilateral Competent Authority Agreement as an Early Adopter jurisdiction in 2014, to start exchanging information using the CRS framework from 2017. Bermuda also enacted domestic legislation and regulations, bringing the CRS framework into force. This legislation requires Reporting Financial Institutions (“RFIs”) to apply the due diligence rules as set out in the Standard, and to collect, maintain and report information for exchange with CRS partner jurisdictions.

As a CRS participating jurisdiction, the Competent Authority has an obligation to ensure the CRS requirements have been implemented effectively, and to monitor and ensure the ongoing compliance of RFIs with both the Standard and the CRS Regulations.

The Competent Authority has undertaken a number of activities to ensure the effective implementation of the CRS requirements by RFIs, mainly in the form of communication, guidance, desk-based reviews, and outreach. To provide further assurance that RFIs are applying the CRS rules correctly, the Competent Authority will also periodically issue notices requiring certain RFIs to undertake a CRS Independent Compliance Review (“CRS Compliance Review”).

1.2 Purpose

The purpose of this document is to describe the procedures that must be followed in the event that a RFI receives a notice to undertake a CRS Compliance Review, and in the event that the RFI would like to select an independent review as opposed to having the Competent Authority conduct the CRS Compliance Review, including the Competent Authority's expectations on the information to be included in each CRS Review report submitted.

The target audience of this guidance is:

- RFIs, and specifically officers within the RFIs who are responsible for CRS implementation and compliance;
- Service providers that are engaged by RFIs to carry out CRS obligations on their behalf; and
- External providers that are (or will be) engaged to conduct CRS Compliance Reviews on behalf of one or more RFIs and that has been notified by the Competent Authority that it must complete such a review.

These guidelines are not intended to alter or override existing legislative requirements and should be read in conjunction with the CRS Regulations, OECD Standard and Commentaries, and other CRS-related guidance and FAQs issued by the Competent Authority and the OECD.

Any term which is not defined in this document has the meaning prescribed within the CRS Regulations or the Standard and should be interpreted as such.

Related reference documents include:

Bermuda Government Resources:

- [International Cooperation \(Tax Information Exchange Agreements\) Act 2005](#)
- [CRS Regulations](#)
- [CRS Guidance](#)
- [CRS Webpage \(which includes CRS Independent Compliance Review FAQs and template letters\)](#)

OECD Resources:

- [OECD CRS Standard for Automatic Exchange of Financial Account Information in Tax Matters \(Second Edition\)](#)
- [OECD CRS Implementation Handbook](#)
- [OECD CRS-related FAQs](#)

1.3 Document Overview

The following provides a high-level overview of the content of these guidelines, which may be updated from time to time:

- [Section 2: Approach and Risk Assessment](#) describes the risk-based approach that will be taken by the Competent Authority when assessing whether RFIs are fulfilling their CRS obligations and identifying those RFIs that are required to undertake a CRS Compliance Review. This section also provides further clarification on the process that the Competent Authority will follow when issuing compliance notices.

- [Section 3: Review Requirements & Procedures](#) describes the procedures that an independent reviewer must follow when reviewing the RFI as part of a mandated CRS Compliance Review, and the information which must be included in the independent reviewer's findings report submitted to the Competent Authority.
- [Section 4: Administrative Guidance](#) provides further guidance on the timing, format, and submission process for the independent reviewer's findings report, as well as the process for an independent reviewer to be approved by the Competent Authority and the mechanisms and strategies to ensure consistent outcomes for quality assurances.

2 Approach and risk assessment

2.1 Risk assessment framework

When assessing the risk of non-compliance by RFIs, the Competent Authority will consider a combination of factors. The following table shows a non-exhaustive list of risk factors that may be considered.

Category	Risk Factors (non-exhaustive)
Business profile and activities	• Industry sector • Type, size, and complexity of business • Client profile • Geographical presence • Whether the FI is part of a larger domestic/multinational group
Track record in fulfilling CRS obligations	• Timeliness of reporting • Completeness and quality of reporting • Information submitted within the Annual CRS Compliance Certification • Responses to compliance notices and other Competent Authority correspondence
Feedback received from partner jurisdictions	• Feedback on data quality and completeness • Timeliness of correction of record errors • Notifications of non-compliance or suspected non-compliance with other domestic or international, FATCA or AEOI standards

2.2 Notice to undertake a CRS Compliance Review

Using the risk-based approach and inputs outlined above, the Competent Authority may identify a subset of RFIs that are required to undertake a CRS Compliance Review. The objective of the CRS Compliance Review will be to determine whether the RFI is complying with the applicable due diligence and reporting requirements imposed by the Standard and CRS Regulations, and to identify any potential deficiencies or risks of non-compliance. The Competent Authority may supplement its risk-based approach with an element of random case selection when identifying RFIs that require a CRS Compliance Review.

The registered Primary User for the RFI would receive a Notice to Undertake a CRS Compliance Review (“Review Notice”) via email, instructing the RFI to notify the Competent Authority within 14 days from the date of receipt of the Notice of whether the entity will be electing to have an independent reviewer, or the Competent Authority conduct the CRS Compliance Review. The independent reviewer engaged by the RFI would be required to submit the fact-based findings and results of such review following the procedures outlined in Section 4 of this document.

IMPORTANT NOTE: Every RFI must ensure it has an active and contactable Primary User registered on their account within the Bermuda Tax Information Reporting Portal at all times. An inability to contact the Primary User will not constitute a reasonable excuse for the RFI’s failure to fulfill the requirements for a CRS Compliance Review.

The Notice will provide the alternative for the RFI to elect to have the Competent Authority conduct the required CRS compliance review, in lieu of the independent CRS Compliance Review described in this document.

3 Review Requirements & Procedures

Where an RFI elects to have the CRS Compliance Review undertaken by an independent reviewer, the independent reviewer must conduct the review in accordance with the procedures described in this section. The independent reviewer is expected to use a combination of documentary reviews (e.g. written CRS policies and procedures, relevant service agreements, account holder documentation, CRS filings) and stakeholder interviews to conduct the CRS Compliance Review.

The Competent Authority will share details of the specific risks identified for the RFI with the independent reviewer upon approving the reviewer's appointment, which may include risks identified in relation to any of the factors outlined in section 2.1. The independent review should be informed by these risks, and the reviewer must ensure any such risks are adequately covered within the report.

3.1 General requirements and guidance

- (1) *Access to records*: the RFI must permit the independent reviewer to have access to all relevant records of the RFI for purposes of performing the CRS Compliance Review, including information regarding specific account holders. The RFI also agrees to permit the Competent Authority to communicate directly with the independent reviewer and to review the procedures followed by the independent reviewer (if required).
- (2) *Use of internal audit personnel*: the independent reviewer may use the RFI's internal audit personnel and internal audit reports to any extent the independent reviewer chooses to do so. In that case, the independent reviewer remains responsible for the conduct of the review. In its report to the Competent Authority, the independent reviewer must disclose specifically when and how it has used the RFI's internal audit personnel and reports in conducting the CRS Compliance Review.
- (3) *Use of copies*: in conducting the audit, the independent reviewer may use copies of any account records or written materials provided by the RFI. Nevertheless, the RFI must permit the independent reviewer to have access to the complete and unaltered account holder records in the original format if the independent reviewer deems it necessary to examine originals.
- (4) *Statistical sampling*: the independent reviewer is permitted to use random statistical sampling to perform the procedures outlined in section 3.2, only where the RFI has greater than 20 financial accounts. Alternatively, the independent reviewer may choose to conduct a review of 100% of the accounts within each category described in section 3.2. Where statistical sampling is used, the sample size to be used is specified within each of the sub-requirements outlined in Section 3.2.
- (5) *Trustee-documented trusts (TDTs)*: where the RFI selected for the review is a trustee that is responsible for undertaking the due diligence and reporting for one or more TDTs (including underlying entities of TDTs which are permitted to be covered by the TDT category), the CRS Compliance Review must be undertaken across all TDTs and underlying entities for which the trustee is responsible for. This should be considered as part of the statistical sampling plan where applicable. The CRS Compliance Review Notice may also specify a subset of TDTs that are required to be included within the CRS Compliance Review.

- (6) *Stakeholder interviews*: the independent reviewer is expected to conduct interviews with key stakeholders of the RFI as part of its review procedures, and such interviews must cover all relevant aspects of the RFI's CRS compliance program, including the requirements outlined in sections 3.2.1 – 3.2.6. While the list of relevant stakeholders will differ depending on the structure of the RFI, the interviews are expected to include (i) senior management, (ii) the head of compliance and/or the person(s) responsible for the RFI's CRS obligations, and (iii) the person(s) or team obtaining and validating self-certification forms, at a minimum.

3.2 Detailed procedures and requirements to be verified

The report must disclose that the independent reviewer has, at a minimum, reviewed and verified the following requirements, and set forth how each of the requirements were verified and the results of the review.

The independent reviewer must ensure each of the specific data points outlined in sections 3.2.1 – 3.2.6 are included within the report.

As noted above, the independent reviewer is expected to use a combination of documentary reviews (e.g. written CRS policies and procedures, relevant service agreements, account holder documentation, CRS filings) and stakeholder interviews to conduct the CRS Compliance Review, and the report must outline the findings for each aspect of the review.

3.2.1 Account identification and monitoring

The independent reviewer must review the RFI's systems, procedures, and/or processes, to verify the following:

- (1) Account categorisation: the RFI has systems and processes to identify which due diligence procedures should be applied to a particular account, including procedures to identify:
 - a. Pre-existing and new accounts
 - b. High and lower value accounts
 - c. Entity and individual accounts
 - d. Excluded accounts
- (2) Excluded accounts: the RFI is able to demonstrate that the only accounts that they have excluded from their due diligence procedures are those that meet the definitions and/or requirements of Excluded Accounts as outlined in the Standard and the CRS Regulations, and those pre-existing entity accounts that were excluded from review due to their account balance.
- (3) Application of account balance thresholds: where the RFI has elected to apply the optional threshold based on account balance for pre-existing entity accounts, there are processes in place to:
 - a. Identify where accounts should be aggregated;
 - b. Calculate total aggregated account balances;
 - c. Ensure all pre-existing entity accounts are correctly identified as exempt from identification and reporting on the basis of their aggregated account balance; and,
 - d. Identify pre-existing entity accounts that were previously below the threshold for review, identification or reporting but subsequently exceeded the threshold.
- (4) Change of circumstance: the RFI has processes in place to monitor and identify any change of circumstances and to follow up with the necessary due diligence processes.

3.2.1 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for requirements (1) through (4).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.
iii.	Findings based on a review of the RFI's excluded accounts (including those that meet the definition of an Excluded Account and those excluded due to their account balance) to verify that they have been correctly excluded and continue to meet the criteria to be excluded. Where statistical sampling is used, sample size for 3.2.1.iii should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's excluded accounts (rounded to the nearest whole number).

3.2.2 Pre-existing individual account due diligence

The independent reviewer must review the RFI's systems, procedures, processes, and/or account holder documentation, to verify the following:

- (1) Residence address test: the RFI has processes in place to ensure that they only apply the residence address test to Pre-existing Lower Value Individual Accounts, only where there is a current address for the Account Holder, and that the address used is based on acceptable Documentary Evidence.
- (2) Electronic record search: the RFI has processes in place to carry out the Electronic Record Search in all circumstances aside from where the residence address test could be applied and was relied upon.
- (3) Paper record search: The RFI has processes in place to ensure that a Paper Record Search is undertaken for all High Value Individual Accounts where the RFI does not hold all the required information in an electronic format, including:
 - a. The Account Holder's residence status;
 - b. The Account Holder's residence address and mailing address;
 - c. The Account Holder's telephone number(s);
 - d. Whether there are standing instructions to transfer funds from an account other than a Depository Account to an account maintained in a Reportable Jurisdiction;
 - e. Whether there is a current "in-care-of" address or "hold mail" instruction for the Account Holder; and,
 - f. Whether there is a current effective power of attorney or signatory authority for the account;

3.2.2 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for items (1) through (3).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.
iii.	Findings based on a review of the RFI's Lower Value Pre-existing Individual accounts where the residence address test was applied, to verify the account holder's address is current and is supported by Documentary Evidence, and that the account holder was correctly classified as reportable or non-reportable according to this address. Where statistical sampling is used, sample size for 3.2.2.iii should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's Lower Value Pre-existing Individual accounts where the residence address test was applied (rounded to the nearest whole number).

iv.	Findings based on a review of the RFI's Lower Value Pre-existing Individual accounts where an Electronic Record Search was undertaken, to verify the account was correctly classified as reportable or not reportable according to the electronically searchable data. Where statistical sampling is used, sample size for 3.2.2.iv should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's Lower Value Pre-existing Individual accounts where an Electronic Record Search was undertaken (rounded to the nearest whole number).
v.	Findings based on a review of the RFI's High Value Pre-existing Individual accounts, to verify the account was correctly classified as reportable or not reportable according to the electronically searchable data (if all required information is held in an electronic format) and Paper Record Search (if applicable). Where statistical sampling is used, sample size for 3.2.2.v should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's High Value Pre-existing Individual accounts (rounded to the nearest whole number).

3.2.3 New individual account due diligence

The independent reviewer must review the RFI's systems, procedures, processes, and/or account holder documentation, to verify the following:

- (1) Collection of self-certification forms: the RFI has processes in place for obtaining and validating self-certification forms for all New Individual Accounts. Where it is not possible for the RFI to obtain and/or validate a self-certification on the opening of the account, the RFI ensures a self-certification is obtained and/or validated within 90 days.
- (2) Contents of self-certification forms: the individual self-certification form used contains all of the necessary fields as outlined in the Standard, which are to be mandatorily provided in all cases except where noted otherwise in the Standard:
 - a. Account holder's name
 - b. Account holder's residence address
 - c. Account holder's jurisdiction(s) of residence for tax purposes
 - d. Account holder's TIN with respect to each reportable jurisdiction
 - e. Account holder's date of birth (mandatory if resident in one or more reportable jurisdictions)
- (3) Validation of self-certification forms: the RFI has systems in place that can take into account all relevant information available to determine whether it has reason to know that a self-certification or Documentary Evidence is incorrect or unreliable, including adequate processes to verify the self-certification information against information obtained pursuant to AML/KYC procedures.

3.2.3 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for items (1) through (3).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.

iii.	Findings based on a review of the RFI's New Individual Accounts to verify that a signed (or otherwise positively affirmed) self-certification form is on file, and that such form is in line with AML/KYC information and other account holder documentation the RFI has on file. Where statistical sampling is used, sample size for 3.2.3iii should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's New Individual accounts (rounded to the nearest whole number).
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3.2.4 Pre-existing entity account due diligence

The independent reviewer must review the RFI's systems, procedures, processes, and/or account holder documentation, to verify the following:

- (1) Account holder identification: The RFI has processes in place to correctly determine whether the pre-existing entity account holder is a reportable person, including:
 - a. processes to review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is resident in a Reportable Jurisdiction (including a place of incorporation or organisation or an address in a Reportable Jurisdiction).
 - b. processes to treat an account as a Reportable Account if the information indicates that the Account Holder is resident in a Reportable Jurisdiction, unless it obtains a self-certification from the Account Holder or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.
- (2) Passive NFE determination: the RFI obtains a self-certification from each Pre-existing Entity Account Holder for the purposes of determining whether the account holder is a Passive NFE, unless it has information in its possession or that is publicly available which indicates that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII of the Standard that is not a Participating Jurisdiction Financial Institution.
- (3) Self-certifications for controlling persons: where a Pre-existing Entity Account Holder is determined to be a Passive NFE, and the aggregated balance exceeds USD 1,000,000, the RFI obtains a self-certification to identify whether the Controlling Persons are Reportable Persons, which includes each controlling person's:
 - a. Name;
 - b. Address;
 - c. Jurisdiction(s) of residence for tax purposes;
 - d. TIN with respect to each Reportable Jurisdiction; and,
 - e. Date of birth (mandatory if resident in one or more reportable jurisdictions)
- (4) Reliance on publicly available information: the RFI records the details of any determination of the Account Holder's status made on the basis of information that is either publicly available, or already in the RFI's possession including details of the information on which this determination was based. The RFI must demonstrate that it does not solely rely on the presence of a FATCA GIIN to reasonably determine that the Pre-Existing Entity Account Holder is a Financial Institution for CRS purposes, and in all cases reviews other account holder documentation to support this conclusion.

3.2.4 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for items (1) through (4).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.
iii.	Findings based on a review of the RFI's pre-existing entity accounts, to verify the account was correctly classified as reportable or not reportable according to information in the RFI's possession, information that is publicly available, and/or a self-certification obtained from the Account Holder. Where statistical sampling is used, sample size for 3.2.4iii should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's Pre-existing Entity accounts (rounded to the nearest whole number).
iv.	Findings based on a review of the RFI's pre-existing entity accounts classified as a Passive NFE and with an aggregated balance of USD \$1M or greater, to verify that a self-certification is on file for each Controlling Person. Where statistical sampling is used, sample size for 3.2.4iv should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's Pre-existing Entity accounts classified as a Passive NFE and with an aggregated balance of USD \$1M or greater (rounded to the nearest whole number).

3.2.5 New entity account due diligence

The independent reviewer must review the RFI's systems, procedures, processes, and/or account holder documentation, to verify the following:

- (1) Collection of self-certification forms: the RFI has processes in place for obtaining and validating self-certification forms in the case of all New Entity Accounts, unless it can be determined based on information in the possession of the RFI or that is publicly available that the Entity is not a Reportable Person. Where it is not possible for the RFI to obtain and/or validate a self-certification on the opening of the account, the RFI has adequate systems and processes which ensure that a self-certification is obtained and/or validated within 90 days.
- (2) Self-certification forms for controlling persons: where a New Entity Account Holder is determined to be a Passive NFE, the RFI obtains a self-certification to identify whether the Controlling Persons are Reportable Persons.
- (3) Contents of self-certification forms: the entity self-certification form used contains all of the necessary fields as outlined in the Standard, which are to be mandatorily provided in all cases except where noted otherwise in the Standard:
 - a. Account holder's name
 - b. Account holder's address
 - c. Account holder's jurisdiction(s) of residences) for tax purposes
 - d. Account holder's TIN with respect to each reportable jurisdiction
 - e. Account holder's status/classification under CRS
- (4) Validation of self-certification forms: the RFI has systems in place that can take into account all relevant information available to determine whether it has reason to know that a self-certification or Documentary Evidence is incorrect or unreliable, including adequate processes to verify the self-certification information against information obtained pursuant to AML/KYC procedures. With respect

to self-certifications received from New Entity Account Holders claiming to be a Financial Institution, the RFI must demonstrate that it does not rely solely on the FATCA GIIN list, but rather establishes the reasonableness of the self-certification based on all documentation obtained as part of the account opening process, including any information collected for AML/KYC purposes.

3.2.5 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for items (1) through (4).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.
iii.	Findings based on a review of the RFI's New Entity Accounts to verify that a signed self-certification form is on file where required (including self-certification forms for controlling persons, if applicable), and that such form is in line with AML/KYC information the RFI has on file. Where statistical sampling is used, sample size for 3.2.5iii should be equal to the lesser of twenty-five (25) accounts or 25% of the RFI's New Entity accounts (rounded to the nearest whole number).

3.2.6 Reporting systems and procedures

The independent reviewer must review the RFI's systems, procedures, processes, and CRS filings, to verify the following:

- (1) Collection and storage of reportable information: the RFI has systems and procedures in place to ensure the required information is being collected, processed, and stored in an appropriate manner.
- (2) Completeness of CRS filings:
 - a. The RFI has procedures in place to ensure each account identified as a Reportable Account through the due diligence procedures applied is submitted within a CRS filing submitted to the Competent Authority, including all required information with respect to such account.
 - b. The RFI complies with the requirements for collection of TINs and Date of Birth outlined in the CRS, including the requirement to use reasonable efforts to collect TINs and dates of birth of pre-existing accounts that are not already in the RFI's records.
 - c. Where the RFI does not maintain any reportable account for a given period, it has procedures in place to ensure the required nil filing is submitted.
- (3) Timeliness of CRS filings: The RFI has procedures in place to ensure that the CRS filing(s) is reviewed and submitted to the Competent Authority in advance of annual reporting deadlines.

3.2.6 Data points to be included in the report	
i.	An explanation of the checks performed and the results of such checks for items (1) through (3).
ii.	Confirmation that the listed requirements have been met by the RFI based on the independent reviewer's verification, and/or description of any gaps or deficiencies found.
iii.	Findings based on a review of the RFI's accounts determined through the due diligence procedures to be Reportable Accounts, to verify that the Reportable Account was submitted to the Competent Authority with a CRS filing, with the correct receiving country identified, and all required information included within the filing.

	Where statistical sampling is used, sample size for 3.2.6iii should be equal to the lesser of fifty (50) accounts or 25% of the RFI's total reportable accounts (rounded to the nearest whole number).
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3.2.7 Governance and organisational capabilities

The independent reviewer must review the RFI's systems, procedures, and/or processes, including conducting the required stakeholder interviews, to verify the following:

- (1) Governance structure: does the RFI have a defined governance structure in place with respect to its CRS due diligence and reporting procedures? If so, please describe this governance structure.
- (2) Allocated resources: which business unit(s) are responsible for CRS compliance? How many full-time equivalents has the RFI allocated to CRS compliance?
- (3) Training programme: does the RFI have a training programme for CRS compliance? If so, please describe the training programme including the business units/persons that receive the training,
- (4) Use of automated systems: does the RFI use computerised systems for CRS due diligence and/or reporting, or are these processes completed manually? Please include a detailed explanation.

3.2.7 Data points to be included in the report	
i.	An explanation of the review procedures performed and the results of such procedures for requirements (1) through (4).
ii.	Detailed descriptions and findings for points (1) through (4), where applicable.

4 Administrative guidance

This section outlines additional administrative guidance regarding the timing, format, and submission procedure for the CRS Compliance Review report, as well as the process for an independent reviewer to be approved by the Competent Authority.

4.1 Timing of CRS Compliance Reviews

The RFI must indicate who their appointed independent reviewer is within 14 days of receipt of the Notice to Undertake a CRS Compliance Review.

The independent reviewer must then conduct the required review and provide the report to the Competent Authority within 90 days from the date of completion of the mandatory independent reviewer training session (described below).

4.2 Independent reviewer qualification, approval and training

In order to be deemed an approved independent reviewer for the purposes of the CRS Regulations, the proposed independent reviewer must submit a letter to the Competent Authority requesting approval prior to undertaking such a review. The letter must be emailed to the Competent Authority at exchangesupport@cita.bm, with the following email subject: *CRS Independent Reviewer Approval – [RFI Name] - [Independent Reviewer Name] – [Reporting Period]*.

The letter must specify the Reporting Entity Name and Reporting Entity Reference for the RFI that has engaged the independent reviewer to undertake the CRS Compliance Review. The letter must also outline the qualifications of the independent reviewer and confirm that the independent reviewer meets the following criteria:

- i. The reviewer is fit and proper to fulfil the role. A person or firm will generally be considered to be fit and proper if the person or firm is resident in Bermuda and is a member in good standing with the CPA Bermuda.
- ii. The reviewer has an adequate number of employees with suitable qualifications and CRS expertise to undertake the review.
- iii. The reviewer confirms it is independent of the RFI that is subject to the review, according to the definition of independence within the meaning of the Rules of Professional Conduct of CPA Bermuda.

The Competent Authority has issued a template approval request letter.

The Competent Authority will respond in writing to approve the reviewer within 5 days of receipt of such letter or may respond with additional queries if required to ascertain the proposed reviewer's qualifications.

Prior to the commencement of the annual CRS reviews, all independent reviewers are required to complete mandatory training delivered by the Competent Authority. Reviewers must not commence any review activity until this requirement has been satisfied. The Competent Authority will advise on the date of the mandatory training before the CRS Compliance Review is undertaken. After completion of the training, by the independent reviewer, the Competent Authority will also outline details of the specific risks identified for the RFI, which should be used to inform the review.

The following table outlines the timelines applicable prior to commencement of the CRS Compliance Review:

ACTION	TIMELINE
<i>Competent Authority sends Notice to Undertake a CRS Compliance Review</i>	<i>Annual compliance activity</i>
<i>RFI to determine who will undertake the CRS Compliance Review and communicate the same to the Competent Authority</i>	<i>Within 14-days of receipt of the Notice</i>
<i>When an independent reviewer is appointed, the reviewer must request written approval from the Competent Authority</i>	<i>Within 14-days of receipt of the Notice</i>
Mandatory training.	Date to be advised by the Competent Authority
CRS Compliance Review commences.	60 day period begins on the day after the mandatory training.

4.3 Format of the findings report

The findings report must be provided electronically in PDF format and may be accompanied by one or more supporting documents in word, excel, or PDF format.

The report must be written in English, and must include the following information:

- a) The independent reviewer's name, address, contact person and contact person's telephone number and email address.
- b) The RFI's name, address, Reporting Entity Reference, Primary User Name, and Primary User's telephone number and email address.
- c) The year under review, as instructed within the Independent Review Notice.
- d) A summary table listing each requirement outlined in Section 3.2 of this document, in the order listed, with a notation that the review procedure was performed and a high-level qualitative summary of the findings for each requirement. Where a particular requirement was not relevant for the RFI, this should be clearly noted as 'N/A' in the summary table, and an explanation of why such requirement is not applicable must be provided in the relevant section within the body of the report.
- e) A summary of the outcomes of the written policies and procedures review, including any deficiencies or gaps noted.
- f) A summary of the stakeholder interviews conducted, including the persons interviewed, the topics covered, and any deficiencies or gaps noted from the interviews.
- g) The detailed data points required to be reported for each of the following compliance areas, as outlined in Section 3.2 of this document:
 - 3.2.1 – Account identification and monitoring
 - 3.2.2 – Pre-existing individual account due diligence
 - 3.2.3 – New individual account due diligence
 - 3.2.4 – Pre-existing entity account due diligence
 - 3.2.5 – New entity account due diligence

- 3.2.6 – Reporting systems and procedures
- h) A certification letter, signed by a senior representative of the independent reviewer, that the required review procedures have been competently performed, in the manner described within this document, and that the information reported is accurate and complete.

Templates have been developed for both the independent reviewer approval letter and certification letter and can be accessed on the Competent Authority's CRS webpage. The letters are to be considered recommended templates and may be amended as deemed necessary prior to submission.

4.4 Report submission procedure *(Updated)*

At the conclusion of the review process, the Independent Reviewer may share the draft report with the RFI for its information. Further, **ALL** draft reports must be submitted to the Competent Authority for review. As part of this review, the Competent Authority may request that additional testing be undertaken to ensure compliance with these Guidelines before a final report is issued to the RFI.

Independent reviewers are required to address all comments and issues raised by the Competent Authority and, where appropriate, revise the reports accordingly. Please note that where the final report does not meet Competent Authority's requirements, the report will not be accepted.

This review process allows the Competent Authority to conduct checks to ensure that the findings and the conclusions of the report are fully supported by evidence and consistent with the Guidelines.

The draft report (and any relevant attachments) must be emailed to the Competent Authority at exchangesupport@cita.bm, with the following email subject: *DRAFT CRS Independent Compliance Review Report – [RFI Name] – [RFI Reference] – [Reporting Period]*.

4.5 Competent Authority oversight and quality assurance

Following submission of the findings report, the Competent Authority may contact the independent reviewer to ask about the review procedures and findings contained in the report. If additional information is needed, the Competent Authority may direct the independent reviewer to perform additional procedures and to report on the results and/or may also inspect the FI's documentation or records directly.

Please note that any remediation or escalation required after the finalisation of the CRS Compliance Review Report will be undertaken by the Competent Authority and not the independent reviewer.

Independent reviewers may be subject to quality performance reviews both during and following the review process, to ensure the review procedures and requirements are applied consistently across all independent reviewers. The Competent Authority may conduct quality performance reviews of completed CRS audits to assess the effectiveness and consistency of review outcomes in practice. In addition to these post-completion review activities, the Competent Authority may conduct real-time oversight through shadowing of Independent Reviewers during active CRS reviews. Shadowing activities may include participation in planning discussions, observation of fieldwork activities, and review of working papers during the conduct of the review.

Finally, the Competent Authority has developed an enforcement framework to ensure that independent reviewers comply with the requirements contained in these Guidelines. This establishes a graduated enforcement framework for independent reviewers conducting CRS Compliance Reviews. Minor deficiencies,

such as documentation gaps or procedural inconsistencies that do not affect the overall conclusion of the CRS Compliance Review, will generally be addressed through corrective feedback rather than formal enforcement action. However, recurring deficiencies will be monitored and may result in escalation.

Where deficiencies are more substantive, repeated, or indicative of non-compliance with the Guidelines or CRS requirements, the Competent Authority may issue a formal warning letter to the independent reviewer requiring remediation within a specified timeframe. Continued or material deficiencies may lead to enhanced monitoring, including increased oversight and corrective intervention.

In cases involving significant, persistent, or systemic deficiencies, the Competent Authority may impose restrictions on the independent reviewer's activities, suspend the independent reviewer from conducting CRS Compliance Reviews, or revoke approval to participate in CRS Compliance Reviews.

The Competent Authority also reserves the right to bypass stages of escalation where serious breaches occur, including unapproved reports, material misstatements, deliberate non-compliance, or obstruction of oversight processes.