

2 Rules

Section I: Obligations of Reporting Crypto-Asset Service Providers

- A. A Reporting Crypto-Asset Service Provider is subject to the reporting and due diligence requirements in Sections II and III in [Jurisdiction], if it is:
1. an Entity or individual resident for tax purposes in [Jurisdiction];
 2. an Entity that (a) is incorporated or organised under the laws of [Jurisdiction] and (b) either has legal personality in [Jurisdiction] or has an obligation to file tax returns or tax information returns to the tax authorities in [Jurisdiction] with respect to the income of the Entity;
 3. an Entity managed from [Jurisdiction]; or
 4. an Entity or individual that has a regular place of business in [Jurisdiction].
- B. A Reporting Crypto-Asset Service Provider is subject to the reporting and due diligence requirements in Sections II and III in [Jurisdiction] with respect to Relevant Transactions effectuated through a Branch based in [Jurisdiction].
- C. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [Jurisdiction] pursuant to subparagraphs A(2), (3) or (4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being resident for tax purposes in such Partner Jurisdiction.
- D. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [Jurisdiction] pursuant to subparagraphs A(3) or (4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being an Entity that (a) is incorporated or organised under the laws of such Partner Jurisdiction and (b) either has legal personality in the Partner Jurisdiction or has an obligation to file tax returns or tax information returns to the tax authorities in the Partner Jurisdiction with respect to the income of the Entity.
- E. A Reporting Crypto-Asset Service Provider that is an Entity is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [Jurisdiction] pursuant to subparagraph A(4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being managed from such Partner Jurisdiction.
- F. A Reporting Crypto-Asset Service Provider that is an individual is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [Jurisdiction] pursuant to subparagraph A(4), if such requirements are completed by such Reporting Crypto-Asset Service Provider in a Partner Jurisdiction by virtue of it being resident for tax purposes in such Partner Jurisdiction.
- G. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements in Sections II and III in [Jurisdiction] with respect to Relevant Transactions it effectuates through a Branch in a Partner Jurisdiction, if such requirements are completed by such Branch in such Partner Jurisdiction.

H. A Reporting Crypto-Asset Service Provider is not required to complete the reporting and due diligence requirements in Sections II and III it is subject to in [Jurisdiction] pursuant to subparagraphs A(1), (2), (3) or (4), if it has lodged a notification with [Jurisdiction] in a format specified by [Jurisdiction] confirming that such requirements are completed by such Reporting Crypto-Asset Service Provider under the rules of a Partner Jurisdiction pursuant a substantially similar nexus that it is subject to in [Jurisdiction].

Section II: Reporting requirements

A. For each relevant calendar year or other appropriate reporting period, and subject to the obligations of Reporting Crypto-Asset Service Providers in Section I and the due diligence procedures in Section III, a Reporting Crypto-Asset Service Provider must report the following information with respect to its Crypto-Asset Users that are Reportable Users or that have Controlling Persons that are Reportable Persons:

1. the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable User and, in the case of any Entity that, after application of the due diligence procedures, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person, as well as the role(s) by virtue of which each Reportable Person is a Controlling Person of the Entity;
2. the name, address and identifying number (if any) of the Reporting Crypto-Asset Service Provider;
3. for each type of Relevant Crypto-Asset with respect to which it has effectuated Relevant Transactions during the relevant calendar year or other appropriate reporting period:
 - a) the full name of the type of Relevant Crypto-Asset;
 - b) the aggregate gross amount paid, the aggregate number of units and the number of Relevant Transactions in respect of acquisitions against Fiat Currency;
 - c) the aggregate gross amount received, the aggregate number of units and the number of Relevant Transactions in respect of disposals against Fiat Currency;
 - d) the aggregate fair market value, the aggregate number of units and the number of Relevant Transactions in respect of acquisitions against other Relevant Crypto-Assets;
 - e) the aggregate fair market value, the aggregate number of units and the number of Relevant Transactions in respect of disposals against other Relevant Crypto-Assets;
 - f) the aggregate fair market value, the aggregate number of units and the number of Reportable Retail Payment Transactions;
 - g) the aggregate fair market value, the aggregate number of units and the number of Relevant Transactions, and subdivided by Transfer type where known by the Reporting Crypto-Asset Service Provider, in respect of Transfers to the Reportable User not covered by subparagraphs A(3)(b) and (d);
 - h) the aggregate fair market value, the aggregate number of units and the number of Relevant Transactions, and subdivided by Transfer type where known by the Reporting Crypto-Asset Service Provider, in respect of Transfers by the Reportable User not covered by subparagraphs A(3)(c), (e) and (f); and
 - i) the aggregate fair market value, as well as the aggregate number of units in respect of Transfers by the Reportable Crypto-Asset User effectuated by the Reporting Crypto-Asset Service Provider to wallet addresses not known by the Reporting Crypto-Asset

Service Provider to be associated with a virtual asset service provider or financial institution.

- B. Notwithstanding subparagraph A(1), the TIN is not required to be reported if (i) a TIN is not issued by the relevant Reportable Jurisdiction or (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.
- C. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless the Reporting Crypto-Asset Service Provider is otherwise required to obtain and report it under domestic law.
- D. For the purposes of subparagraphs A(3)(b) and (c), the amount paid or received must be reported in the Fiat Currency in which it was paid or received. In case the amounts were paid or received in multiple Fiat Currencies, the amounts must be reported in a single Fiat Currency, converted at the time of each Relevant Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider.
- E. For the purposes of subparagraphs A(3)(d) through (i), the fair market value must be determined and reported in a single Fiat Currency, valued at the time of each Relevant Transaction in a manner that is consistently applied by the Reporting Crypto-Asset Service Provider.
- F. The information reported must identify the Fiat Currency in which each amount is reported.
- G. The information pursuant to paragraph A must be reported by xx/xx of the calendar year following the year to which the information relates.

Section III: Due diligence procedures

A Crypto-Asset User is treated as a Reportable User beginning as of the date it is identified as such pursuant to the due diligence procedures described in this Section.

A. Due diligence procedures for Individual Crypto-Asset Users

The following procedures apply for purposes of determining whether the Individual Crypto-Asset User is a Reportable User.

1. When establishing the relationship with the Individual Crypto-Asset User, or with respect to Preexisting Individual Crypto-Asset Users by 12 months after the effective date of these rules, the Reporting Crypto-Asset Service Provider must obtain a self-certification that allows the Reporting Crypto-Asset Service Provider to determine the Individual Crypto-Asset User's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures.
2. If at any point there is a change of circumstances with respect to an Individual Crypto-Asset User that causes the Reporting Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Crypto-Asset Service Provider cannot rely on the original self-certification and must obtain a valid self-certification, or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification.

B. Due diligence procedures for Entity Crypto-Asset Users

The following procedures apply for purposes of determining whether the Entity Crypto-Asset User is a Reportable User or an Entity, other than an Excluded Person or an Active Entity, with one or more Controlling Persons who are Reportable Persons.

1. Determine whether the Entity Crypto-Asset User is a Reportable User.

- a) When establishing the relationship with the Entity Crypto-Asset User, or with respect to Preexisting Entity Crypto-Assets Users by 12 months after the effective date of these rules, the Reporting Crypto-Asset Service Provider must obtain a self-certification that allows the Reporting Crypto-Asset Service Provider to determine the Entity Crypto-Asset User's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures. If the Entity Crypto-Asset User certifies that it has no residence for tax purposes, the Reporting Crypto-Asset Service Provider may rely on the place of effective management or on the address of the principal office to determine the residence of the Entity Crypto-Asset User.
- b) If the self-certification indicates that the Entity Crypto-Asset User is resident in a Reportable Jurisdiction, the Reporting Crypto-Asset Service Provider must treat the Entity Crypto-Asset User as a Reportable User, unless it reasonably determines based on the self-certification or on information in its possession or that is publicly available, that the Entity Crypto-Asset User is an Excluded Person.

2. Determine whether the Entity has one or more Controlling Persons who are Reportable Persons.

With respect to an Entity Crypto-Asset User, other than an Excluded Person, the Reporting Crypto-Asset Service Provider must determine whether it has one or more Controlling Persons who are Reportable Persons, unless it determines that the Entity Crypto-Asset User is an Active Entity, based on a self-certification from the Entity Crypto-Asset User.

- a) **Determining the Controlling Persons of the Entity Crypto-Asset User.** For the purposes of determining the Controlling Persons of the Entity Crypto-Asset User, a Reporting Crypto-Asset Service Provider may rely on information collected and maintained pursuant to AML/KYC Procedures, provided that such procedures are consistent with the 2012 FATF Recommendations (as updated in June 2019 pertaining to virtual asset service providers). If the Reporting Crypto-Asset Service Provider is not legally required to apply AML/KYC Procedures that are consistent with the 2012 FATF Recommendations (as updated in June 2019 pertaining to virtual asset service providers), it must apply substantially similar procedures for the purposes of determining the Controlling Persons.
 - b) **Determining whether a Controlling Person of an Entity Crypto-Asset User is a Reportable Person.** For the purposes of determining whether a Controlling Person is a Reportable Person, a Reporting Crypto-Asset Service Provider must rely on a self-certification from the Entity Crypto-Asset User or such Controlling Person that allows the Reporting Crypto-Asset Service Provider to determine the Controlling Person's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Crypto-Asset Service Provider, including any documentation collected pursuant to AML/KYC Procedures.
3. If at any point there is a change of circumstances with respect to an Entity Crypto-Asset User or its Controlling Persons that causes the Reporting Crypto-Asset Service Provider to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Crypto-Asset Service Provider cannot rely on the original self-certification and must obtain a valid self-certification, or a reasonable explanation and, where appropriate, documentation supporting the validity of the original self-certification.

C. Requirements for validity of self-certifications

1. A self-certification provided by an Individual Crypto-Asset User or Controlling Person is valid only if it is signed or otherwise positively affirmed by the Individual Crypto-Asset User or Controlling Person, it is

dated at the latest at the date of receipt and it contains the following information with respect to the Individual Crypto-Asset User or Controlling Person:

- a) first and last name;
 - b) residence address;
 - c) jurisdiction(s) of residence for tax purposes;
 - d) with respect to each Reportable Person, the TIN with respect to each Reportable Jurisdiction; and
 - e) date of birth.
2. A self-certification provided by an Entity Crypto-Asset User is valid only if it is signed or otherwise positively affirmed by the Crypto-Asset User, it is dated at the latest at the date of receipt and it contains the following information with respect to the Entity Crypto-Asset User:
- a) legal name;
 - b) address;
 - c) jurisdiction(s) of residence for tax purposes;
 - d) with respect to each Reportable Person, the TIN with respect to each Reportable Jurisdiction;
 - e) in case of an Entity Crypto-Asset User other than an Active Entity or an Excluded Person, the information described in subparagraph C(1) with respect to each Controlling Person of the Entity Crypto-Asset User, unless such Controlling Person has provided a self-certification pursuant to subparagraph C(1), as well as the role(s) by virtue of which each Reportable Person is a Controlling Person of the Entity, if not already determined on the basis of AML/KYC Procedures; and
 - f) if applicable, information as to the criteria it meets to be treated as an Active Entity or Excluded Person.
3. Notwithstanding subparagraphs C(1) and (2), the TIN is not required to be collected if the jurisdiction of residence of the Reportable Person does not issue a TIN to the Reportable Person, or the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.

D. General due diligence requirements

1. A Reporting Crypto-Asset Service Provider that is also a Financial Institution for the purposes of the Common Reporting Standard may rely on the due diligence procedures completed pursuant to Sections IV and VI of the Common Reporting Standard for the purpose of the due diligence procedures pursuant to this Section. A Reporting Crypto-Asset Service Provider may also rely on a self-certification already collected for other tax purposes, provided such self-certification meets the requirements of paragraph C of this Section.
2. A Reporting Crypto-Asset Service Provider may rely on a third party to fulfil the due diligence obligations set out in this Section III, but such obligations remain the responsibility of the Reporting Crypto-Asset Service Provider.
3. A Reporting Crypto-Asset Service Provider is required to maintain all documentation and data for a period of not less than five years after the end of the period within which the Reporting Crypto-Asset Service Provider must report the information required to be reported pursuant to Section II.

Section IV: Defined terms

A. Relevant Crypto-Asset

1. The term “**Crypto-Asset**” means a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions.
2. The term “**Relevant Crypto-Asset**” means any Crypto-Asset that is not a Central Bank Digital Currency, a Specified Electronic Money Product or any Crypto-Asset for which the Reporting Crypto-Asset Service Provider has adequately determined that it cannot be used for payment or investment purposes.
3. The term “**Central Bank Digital Currency**” means any digital Fiat Currency issued by a Central Bank.
4. The term “**Specified Electronic Money Product**” means any Crypto-Asset that is:
 - a) a digital representation of a single Fiat Currency;
 - b) issued on receipt of funds for the purpose of making payment transactions;
 - c) represented by a claim on the issuer denominated in the same Fiat Currency;
 - d) accepted in payment by a natural or legal person other than the issuer; and
 - e) by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product.

The term “Specified Electronic Money Product” does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring Entity, either the funds connected with such product are held longer than 60 days after receipt of instructions to facilitate the transfer, or, if no instructions are received, the funds connected with such product are held longer than 60 days after receipt of the funds.

B. Reporting Crypto-Asset Service Provider

1. The term “**Reporting Crypto-Asset Service Provider**” means any individual or Entity that, as a business, provides a service effectuating Exchange Transactions for or on behalf of customers, including by acting as a counterparty, or as an intermediary, to such Exchange Transactions, or by making available a trading platform.

C. Relevant Transaction

1. The term “**Relevant Transaction**” means any:
 - a) Exchange Transaction; and
 - b) Transfer of Relevant Crypto-Assets.
2. The term “**Exchange Transaction**” means any:
 - a) exchange between Relevant Crypto-Assets and Fiat Currencies; and
 - b) exchange between one or more forms of Relevant Crypto-Assets.
3. The term “**Reportable Retail Payment Transaction**” means a Transfer of Relevant Crypto-Assets in consideration of goods or services for a value exceeding USD 50 000.
4. The term “**Transfer**” means a transaction that moves a Relevant Crypto-Asset from or to the Crypto-Asset address or account of one Crypto-Asset User, other than one maintained by the Reporting Crypto-Asset Service Provider on behalf of the same Crypto-Asset User, where, based on the

knowledge available to the Reporting Crypto-Asset Service Provider at the time of transaction, the Reporting Crypto-Asset Service Provider cannot determine that the transaction is an Exchange Transaction.

5. The term **“Fiat Currency”** means the official currency of a jurisdiction, issued by a jurisdiction or by a jurisdiction’s designated Central Bank or monetary authority, as represented by physical banknotes or coins or by money in different digital forms, including bank reserves and Central Bank Digital Currencies. The term also includes commercial bank money and electronic money products (including Specified Electronic Money Products).

D. Reportable User

1. The term **“Reportable User”** means a Crypto-Asset User that is a Reportable Person.
2. The term **“Crypto-Asset User”** means an individual or Entity that is a customer of a Reporting Crypto-Asset Service Provider for purposes of carrying out Relevant Transactions. An individual or Entity, other than a Financial Institution or a Reporting Crypto-Asset Service Provider, acting as a Crypto-Asset User for the benefit or account of another individual or Entity as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as a Crypto-Asset User, and such other individual or Entity is treated as the Crypto-Asset User. Where a Reporting Crypto-Asset Service Provider provides a service effectuating Reportable Retail Payment Transactions for or on behalf of a merchant, the Reporting Crypto-Asset Service Provider must also treat the customer that is the counterparty to the merchant for such Reportable Retail Payment Transaction as the Crypto-Asset User with respect to such Reportable Retail Payment Transaction, provided that the Reporting Crypto-Asset Service Provider is required to verify the identity of such customer by virtue of the Reportable Retail Payment Transaction pursuant to domestic anti-money laundering rules.
3. The term **“Individual Crypto-Asset User”** means a Crypto-Asset User that is an individual.
4. The term **“Preexisting Individual Crypto-Asset User”** means an Individual Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of [xx/xx/xxxx].
5. The term **“Entity Crypto-Asset User”** means a Crypto-Asset User that is an Entity.
6. The term **“Preexisting Entity Crypto-Asset User”** means an Entity Crypto-Asset User that has established a relationship with the Reporting Crypto-Asset Service Provider as of [xx/xx/xxxx].
7. The term **“Reportable Person”** means a Reportable Jurisdiction Person other than an Excluded Person.
8. The term **“Reportable Jurisdiction Person”** means an Entity or individual that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.
9. The term **“Reportable Jurisdiction”** means any jurisdiction (a) with which an agreement or arrangement is in effect pursuant to which [Jurisdiction] is obligated to provide the information specified in Section II with respect to Reportable Persons resident in such jurisdiction, and (b) which is identified as such in a list published by [Jurisdiction].
10. The term **“Controlling Persons”** means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the 2012 Financial Action Task Force Recommendations, as updated in June 2019 pertaining to virtual asset service providers.

11. The term “**Active Entity**” means any Entity that meets any of the following criteria:

- a) less than 50% of the Entity’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the Entity during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- b) substantially all of the activities of the Entity consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- c) the Entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the Entity does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the Entity;
- d) the Entity was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- e) the Entity primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or
- f) the Entity meets all of the following requirements:
 - i. it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - ii. it is exempt from income tax in its jurisdiction of residence;
 - iii. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - iv. the applicable laws of the Entity’s jurisdiction of residence or the Entity’s formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the Entity’s charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased; and
 - v. the applicable laws of the Entity’s jurisdiction of residence or the Entity’s formation documents require that, upon the Entity’s liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the Entity’s jurisdiction of residence or any political subdivision thereof.

E. Excluded Person

1. The term “**Excluded Person**” means (a) an Entity the stock of which is regularly traded on one or more established securities markets; (b) any Entity that is a Related Entity of an Entity described in clause

- (a); (c) a Governmental Entity; (d) an International Organisation; (e) a Central Bank; or (f) a Financial Institution other than an Investment Entity described in Section IV E(5)(b).
2. The term “**Financial Institution**” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
 3. The term “**Custodial Institution**” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.
 4. The term “**Depository Institution**” means any Entity that:
 - a) accepts deposits in the ordinary course of a banking or similar business; or
 - b) holds Specified Electronic Money Products or Central Bank Digital Currencies for the benefit of customers.
 5. The term “**Investment Entity**” means any Entity:
 - a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - i. trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - ii. individual and collective portfolio management; or
 - iii. otherwise investing, administering, or managing Financial Assets, money, or Relevant Crypto-Assets on behalf of other persons; or
 - b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph E(5)(a).

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph E(5)(a), or an Entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets or Relevant Crypto-Assets for purposes of subparagraph E(5)(b), if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. For the purposes of subparagraph E(5)(a)(iii), the term “otherwise investing, administering, or managing Financial Assets, money, or Relevant Crypto-Assets on behalf of other persons” does not include the provision of services effectuating Exchange Transactions for or on behalf of customers. The term “Investment Entity” does not include an Entity that is an Active Entity because it meets any of the criteria in subparagraphs D(11)(b) through (e).

This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.

6. The term “**Specified Insurance Company**” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
7. The term “**Governmental Entity**” means the government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or

any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing. This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.

- a) An “integral part” of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.
 - b) A controlled entity means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:
 - i. the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;
 - ii. the Entity’s net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and
 - iii. the Entity’s assets vest in one or more Governmental Entities upon dissolution.
 - c) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.
8. The term “**International Organisation**” means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation) (a) that is comprised primarily of governments; (b) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and (c) the income of which does not inure to the benefit of private persons.
 9. The term “**Central Bank**” means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.
 10. The term “**Financial Asset**” includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, Relevant Crypto-Asset, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term “Financial Asset” does not include a non-debt, direct interest in real property.
 11. The term “**Equity Interest**” means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.

12. The term “**Insurance Contract**” means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.
13. The term “**Annuity Contract**” means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.
14. The term “**Cash Value Insurance Contract**” means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value.
15. The term “**Cash Value**” means the greater of (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and (ii) the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract:
 - a) solely by reason of the death of an individual insured under a life insurance contract;
 - b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
 - c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;
 - d) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in subparagraph E(15)(b); or
 - e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

F. Miscellaneous

1. The term “**Partner Jurisdiction**” means any jurisdiction that has put in place equivalent legal requirements and that is included in a list published by [Jurisdiction].
2. The term “**AML/KYC Procedures**” means the customer due diligence procedures of a Reporting Crypto-Asset Service Provider pursuant to the anti-money laundering or similar requirements to which such Reporting Crypto-Asset Service Provider is subject.
3. The term “**Entity**” means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.
4. An Entity is a “**Related Entity**” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.
5. The term “**TIN**” means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).
6. The term “**Branch**” means a unit, business or office of a Reporting Crypto-Asset Service Provider that is treated as a branch under the regulatory regime of a jurisdiction or that is otherwise regulated under the laws of a jurisdiction as separate from other offices, units, or branches of the Reporting Crypto-

Asset Service Provider. All units, businesses, or offices of a Reporting Crypto-Asset Service Provider in a single jurisdiction shall be treated as a single branch.

Section V: Effective implementation

A jurisdiction must have rules and administrative procedures in place to ensure effective implementation of, and compliance with, the reporting and due diligence procedures set out above.



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