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Greetings from your Tax & Legal team at Deloitte Singapore.

We are pleased to update you on the following:

Singapore commits to implement the Crypto-Asset Reporting Framework

The Inland Revenue Authority of Singapore (IRAS) published their [media release](#) on 10 November 2023 committing to the implementation of the Crypto-Asset Reporting Framework (CARF), as well as the recent proposed amendments to the Common Reporting Standard (CRS) by 2027. Singapore thus joins 47 other jurisdictions that have expressed the joint intent to work towards this goal via a [Joint Statement](#) published on the same day.

Singapore's endorsement of the CARF Joint Statement demonstrates her commitment to international tax transparency efforts and strengthens her reputation as a trusted and responsible financial centre. In the media release, the IRAS has committed to working with the industry to provide guidance for CARF implementation in Singapore. We should expect more information on timelines and implementation guidance from the IRAS in due course.

About the CARF and the proposed amendments to the CRS

The Organization for Economic Cooperation and Development (OECD) published the *International Standards for Automatic Exchange of Information in Tax Matters—Crypto-Asset Reporting Framework and 2023 Update to the Common Reporting Standard*, which was approved by OECD's Committee on Fiscal Affairs, on 8 June 2023. Prior to this, the initial draft of the CARF was released as a public consultation document on 22 March 2022 with a request

for industry comments, and the final guidance was published on 10 October 2022.

The CARF provides a new regime for the automatic exchange of tax relevant information on Crypto-Assets and was developed to address the rapid development and growth of the Crypto-Asset market and to ensure that recent gains in global tax transparency will not be gradually eroded. CARF reporting will be applicable to Crypto-Asset Service Providers including exchanges, brokers, dealers, and crypto automated teller machine providers. Such persons are considered to have the best access to information and are also expected to fall within the scope of obliged entities for Financial Action Task Force purposes.

The amendments to the CRS are intended to bring certain electronic money products and Central Bank Digital Currencies within scope of the current CRS framework. Financial institutions already within the scope of CRS reporting requirements will have an extended scope of reporting, whereas digital asset funds/managers and e-money service providers will potentially become subject to CRS reporting for the first time. Changes have also been made to ensure that indirect investments in Crypto-Assets through derivatives and investment vehicles are now covered by the CRS. In addition, amendments have been made to strengthen the due diligence and reporting requirements (including the reporting of the role of each Controlling Person), as well as to widen the scope of reporting for dual residencies account holders, likely leading to more financial information being exchanged across a larger number of jurisdictions.

Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, or any member of the [Singapore Tax & Legal team](#).

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