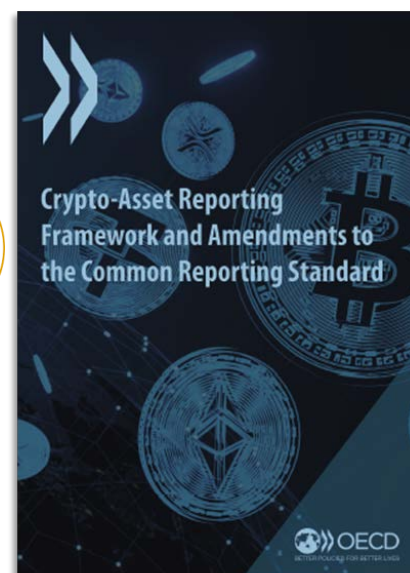


Ensuring widespread implementation of the Crypto-Asset Reporting Framework

Colby Mangels – The Global Forum Secretariat
2nd Annual Blockchain Taxation Conference
San Jose State University
24 January 2025

Development of the CARF

- In 2021, the G20 called for global tax transparency to Crypto-Asset markets
- In June 2023, the OECD published the CARF and a revised Council Recommendation to include the CARF as an integral part of the international standards on AEOI
- In response to the September 2023 G20 Leaders' Declaration, the Global Forum established its CARF Group and is now working to ensure the widespread implementation of the CARF.



Recognised by the G20

“We ask the Global Forum to identify an appropriate and coordinated timeline to commence exchanges by relevant jurisdictions ... and to report to our future meetings on the progress of its work.”

G20 New Delhi Leaders' Declaration, September 2023



“We recall the benefits and call for the swift implementation of the Crypto-Asset Reporting Framework (CARF) ... by relevant jurisdictions.”

G20 Finance Ministers, Rio de Janeiro, Declaration on International Tax Cooperation, October 2024



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The CARF: Substantive requirements

Protecting tax transparency: Key features of the CARF

1. Scope	Crypto-Assets that can be used for payment/investment
2. Intermediaries	Reporting Crypto-Asset Service Providers: Individuals and Entities effectuating Exchange Transactions as a business (exchanges, brokers/dealers, crypto-ATM operators etc.)
3. Identifying users	Due diligence, with self-certifications (in line with AML/CRS)
4. Information reported	Annual aggregate reporting by Crypto-Asset type on crypto-to-crypto and crypto-to-fiat exchanges, as well as transfers

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The Global Forum – Ensuring the widespread implementation of
the CARF

The CARF Group

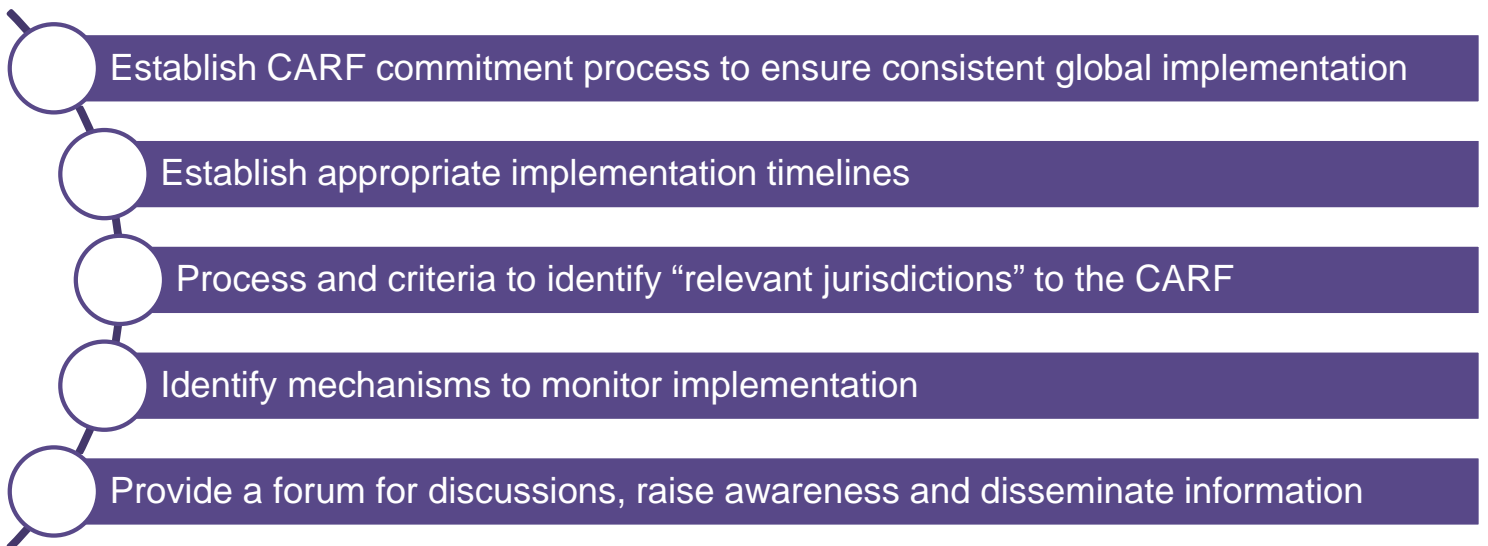
- Established by the Global Forum in 2023.
- An open working group of the Global Forum with 52 members.

Members of the CARF Group

2023-2025



The mandate of the CARF Group



The Global Forum's CARF commitment process

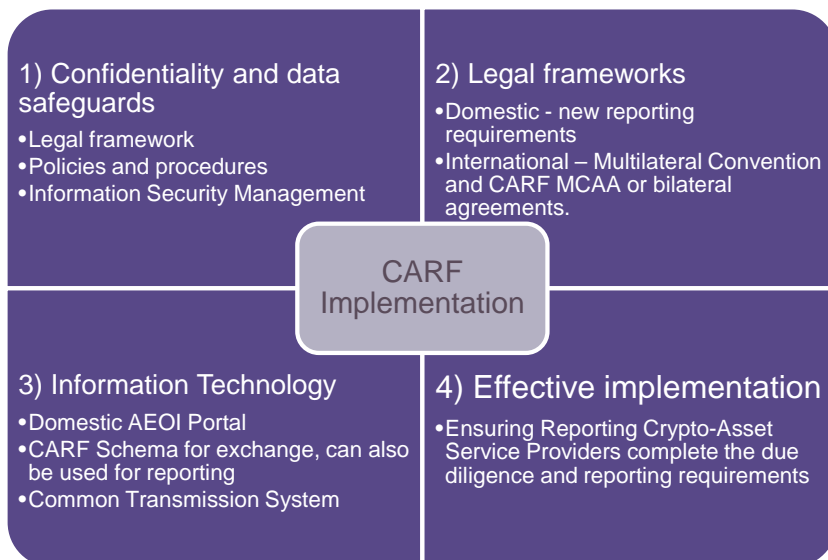
Criteria and process to identify "relevant jurisdictions" to the CARF (location of the service providers)

Common implementation timelines: exchanges in 2027 (or 2028, latest)

Ensure jurisdictions complete exchange networks

A Step-by-Step Guide and legislative checklist to guide implementation

The **CARF Step-by-Step Guide** sets out the key expectations for jurisdictions and service providers implementing the CARF, including:



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INFORMATION FOR TAX PURPOSES

Delivering Tax Transparency to
Crypto-Assets: A Step-by-Step
Guide to Understanding and
Implementing the Crypto-Asset
Reporting Framework

A closer look: Relevant jurisdictions to the CARF

Relevant jurisdictions – what are they?

Jurisdictions that are relevant to the CARF should implement the CARF to ensure an effective CARF/level playing field:

- Jurisdictions needed to ensure proper coverage of substantive RCASPs; or
- Even where not currently substantive, jurisdictions that appear to provide an attractive environment to the crypto sector (e.g. attractive regulatory, tax or other frameworks)

Such jurisdictions will be asked to commit to the CARF in accordance with generally expected timelines.

In addition, jurisdictions that may become relevant in the near future will be subjected to enhanced monitoring.

Identifying “relevant jurisdictions” to the CARF

Extensive analysis resulting in the identification of “relevant jurisdictions” that are expected to commit to:

1) Implement the CARF requirements: definitions, due diligence and reporting, exchange networks and confidentiality

2) Commence CARF exchanges by 2027, or 2028 if particular challenges

3) Exchange CARF information with wide range of jurisdictions

65 jurisdictions have committed to implement the CARF as part of the Global Forum's CARF commitment process

Jurisdictions undertaking first exchanges by 2027 (54)

Austria, Azerbaijan, Belgium, Bermuda, Brazil, British Virgin Islands, Bulgaria, Canada, Cayman Islands, Colombia, Costa Rica, Croatia, Cyprus*, Czechia, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Iceland, Indonesia, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, San Marino, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Switzerland, Uganda, the United Arab Emirates and the United Kingdom.

Jurisdictions undertaking first exchanges by 2028 (11)

Bahamas, Barbados, Hong Kong (China), Malaysia, Mongolia, Nigeria, Saint Vincent and the Grenadines, the Seychelles, Thailand, Türkiye and the United States.

Ensuring a level playing field is an ongoing process

Jurisdictions of relevance

- Annual process – ensure ongoing coverage
- Enhanced monitoring of the crypto sector in some jurisdictions
- Refresh analysis and consider any improvements

Ensuring delivery of the commitments

- Commitments need to be delivered on
- Several implementation steps needed

Facilitating jurisdictions

- Identifying common approaches to implementation
- Providing tools to jurisdictions (see Step-by-Step Guide)

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Questions?



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Thank you

For more information

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 <https://oe.cd/tax-news>

