

OECD

Public consultation document: Crypto-Asset Reporting Framework and Amendments to the Common Reporting Standard

Finance Finland response to OECD's CARF / CRS review consultation

Finance Finland (FFI) provides general comments regarding a possible new exchange of information for crypto assets (CARF) and CRS review. Globally there are already initiatives emerging regarding crypto asset reporting (e.g. planned DAC 8 in EU). In this sense, the work done by OECD is crucial in order to create uniform tax reporting and avoid different countries creating their own separate reporting rules.

1 CARF and existing reporting obligations

When creating new reporting obligations, if similar reporting obligations already exist on some other field, these should be utilized as much as possible. With CARF, the CRS reporting fulfils a similar role, and if possible, one set of documentation and processes (regarding e.g. due diligence) should be enough for both reporting standards. Thus, the differences between CRS and CARF should be minimized wherever possible.

2 Timeline with CRS-changes and new CARF-reporting

FFI wishes to emphasize that especially smaller organizations need sufficient time to implement possible changes. Changes to reporting of such scale can only start after national legislation has been approved, so enough time to implement the rules is still required even after the national legislation regarding the changes has been approved.

There will also be need for many discussions with national tax authorities on details regarding reporting. By giving enough time to make the changes to the reporting, the quality of the reports can also be ensured. In this sense FFI wishes already now that when looking at the timeline of the new reporting obligations entering into force, it should be recommended that sufficient transition time is given to parties making the reports.

3 Intermediaries in scope of CARF – clarifying examples

According to the terms, "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."

It is further explained that e.g. "As noted above, intermediaries facilitating exchanges between Crypto-Assets, as well as between Crypto-Assets and Fiat Currencies, play a central role in the Crypto-Asset market. As such, it is proposed that those intermediaries that as a business provide services effectuating Exchange

Transactions in Relevant Crypto-Assets, for or on behalf of customers, would be considered Reporting Crypto-Asset Service Providers under the CARF'

FFI understands that traditional financial service providers that themselves offer no services tied to crypto assets would be out of scope for CARF reporting obligations. We ask that it should be clarified via examples that this is the intention:

E.g. a traditional bank transfer with the bank not offering any services related to crypto assets - A tax payer transfers assets from a traditional bank to a fiat wallet provided by a separate wallet provider with no ties to the bank. The bank does not offer any kind of service related to this purchase of crypto assets. As such, in this situation, the bank is not considered to be an intermediary in the scope of CARF and would not have information on relevant transactions that would need to be reported.

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