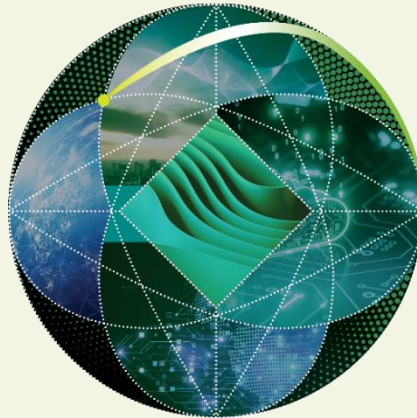




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Cyprus Tax Department withdraws 2017 ASP FATCA/CRS guidance

We would like to inform you that, on 17 September 2026, the Cyprus Tax Department [announced](#) the withdrawal of its guide, “*Cyprus Administrative Service Providers (ASPs) – Are They FIs under FATCA and CRS*” (June 2017).

As a result, ASPs should no longer rely on the 2017 guidance when interpreting or applying their obligations under the OECD Common Reporting Standard (CRS). In addition, any references to this document in the *Guidance Notes on the Automatic Exchange of Financial Account Information* (May 2020) are no longer applicable. The Guidance Notes are expected to be updated to reflect the latest version of the CRS text.

ASPs are now required to assess their CRS classification by reference to paragraph 10ter of the *Consolidated Text of the CRS (2025)*, together with the applicable Cyprus CRS legislative and regulatory framework. Paragraph 10ter clarifies that, for the purposes of the gross income test,

which is used to determine whether an entity should be classified as a financial institution (FI) for CRS purposes, all remuneration for relevant activities must be taken into account, regardless of whether it is paid to the entity itself or to another entity.

In practice, this removes the “non-attribution” principle reflected in the 2017 guidance. For example, the fees for trustee / nominee services can no longer be disregarded by an entity that effectively provides these services, even if the fees are charged by a related party.

Who may be affected

Affected entities may include ASPs and their subsidiaries acting as corporate trustees, nominees or custodians, as well as law and accounting firms providing trustee or nominee services through related entities. Trusts and companies whose FATCA/CRS classification depends on the status of their service providers may also be impacted.

Audits and administrative penalties

The Cyprus Tax Department has indicated that it may carry out audits to verify the compliance with CRS/DAC2 obligations. Where non-compliance is identified, including incorrect or late reporting or failure to apply the required due diligence procedures, the Cyprus Tax Department may impose the administrative penalties provided for by law.

How can we help?

We are available to assist with reassessing the FATCA/ CRS classification of entities and group structures, reviewing service and fee arrangements under the gross income test, and updating internal policies and procedures ahead of the next reporting cycle.

Please feel free to contact us should you wish to discuss how these developments may affect your organisation.

Get in touch



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