Crypto-Asset Reporting Framework (CARF)

INLAND REVENUE AUTHORITY OF SINGAPORE

Are You a Reporting Crypto-Asset Service Provider (RCASP) in Singapore?

Here's a quick checklist:

- Are you an individual or entity that, **as a business**, provides a service **effectuating exchange transactions** for or on behalf of **customers** (including trading platforms/ intermediaries/ counterparty services)?
- Are the Crypto-Assets you deal in considered **Relevant Crypto-Assets**?
  - *A relevant crypto-asset refers to any crypto-asset (such as Virtual Currencies, Security Tokens and Non-Fungible Tokens) that is not a Central Bank Digital Currency, Specified Electronic Money Product, or any Crypto-Asset that cannot be used for payment or investment purpose.*
- Is your highest nexus in **Singapore**?
  - *Tax resident in Singapore;*
  - *Incorporated in Singapore and (i) have legal personality in Singapore, or (ii) are subject to tax reporting requirements with respect to their income;*
  - *Managed from Singapore;*
  - *Have a regular place of business in Singapore, or effectuate relevant transactions through a branch in Singapore.*

Highest Nexus

Lowest Nexus

Have a nexus to more than 1 jurisdiction?

Where the RCASP has a nexus of the same tier in two or more CARF Partner Jurisdictions, report in one of the jurisdictions and lodge a notification in the jurisdiction(s) where the RCASP does not report.

You can also use the IRAS self-review tool on the IRAS CARF webpage to determine if you are a RCASP based on the above criteria.

RCASP CARF Due Diligence

If you are a RCASP, you will need to:

1. **Identify Crypto-Asset Users and Collect Self-Certifications**

   Crypto-Asset User is any individual or entity that is a customer for the purposes of carrying out Relevant Transactions*

   - **For New Users:** collect when establishing relationship.
   - **For Pre-Existing Users:** collect within 12 months after CARF taking effect in Singapore.

2. **Ensure that Self-Certifications are Valid and Reasonable**

   - **Valid:** Signed or positively affirmed, dated, and includes the required identity and tax residence details [name, address, jurisdiction(s) of tax residence, TIN(s) and date of birth].
   - **Reasonable:** Consistent with KYC/AML data and other information collected during onboarding, with no contradictions.

   For Entity Crypto-Asset Users

   Apply 'look through' procedures to identify Controlling Person(s) who are Reportable Persons (excluding Excluded Persons/ Active Entities) and obtain valid and reasonable self-certification(s).

   Do not effectuate Relevant Transactions if there is no valid and reasonable self-certification.

3. **Monitor for Change in Circumstances (CIC)**

   Detected a change in circumstances?
   - Stop relying on old self-certification form
   - Obtain an updated one within 90 days

   Can't get updated form within 90 days?
   - Treat user as resident of:
     - Original jurisdiction(s) indicated
     - New jurisdiction(s) as a result of the CIC

***Relevant Transactions**

Exchange Transactions:
1. Exchange between Relevant Crypto-Assets and Fiat Currencies (acquisitions and disposals)
2. Exchange between one or more forms of Relevant Crypto-Assets (Split into 2 reportable elements – Disposal of Crypto-Asset A and Acquisition of Crypto-Asset B)

Transfer Transactions:
1. Transfer of Relevant Crypto-Assets
   a. High value (>USD 50,000) Reportable retail payment transactions
   b. Any other acquisitions (e.g. drops, forks)
   c. Any other disposals

RCASP CARF Reporting Requirements

Who must report?

RCASPs with highest nexus to Singapore

What to report?

1. **Identification Information of Reportable User/ Controlling Person:**
   - *Name, Address, Jurisdiction(s) of residence, TIN(s), Date of birth, Role of Controlling Person (for Entity Crypto-Asset Users)*
2. **Account Information of RCASP:**
   - *Name, Address, Identifying Number of the Reporting CASP (if any)*
3. **Transactional Information (for each type of Relevant Crypto-Asset type):**
   - *Basic information: Full name of the type of Relevant Crypto-Asset*
   - *Fiat Currency Trades: aggregate amount paid/received, aggregate number of units, number of transactions*
   - *Crypto-to-Crypto Trades: aggregate fair market value, aggregate number of units, number of transactions*
   - *Retail Payments: aggregate fair market value, aggregate number of units, number of Reportable Retail Payment Transactions (RRPT)*
   - *Transfers:*
     - *In/Out: aggregate fair market value, aggregate number of units, transactions (by type if known)*
     - *To unknown wallets: aggregate fair market value, aggregate number of units*

How to report?

Use OECD CARF XML Schema

(IRAS is working on a simplified filing form for RCASPs who are unable to generate the CARF returns in XML format)