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## Commentary to Addendum

1. The Addendum to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the “Addendum”) consists of:

- a declaration to be signed by the signatories of the CRS MCAA, therewith indicating their intention to implement the amended CRS and to exchange based on the expanded reporting requirements. To become a signatory of the Addendum, the Competent Authority of the Jurisdiction or its designated representative must sign the Declaration and provide it, together with the text of the Addendum, to the Coordinating Body Secretariat.
- a preamble, which explains the purpose of the Addendum; and
- two sections containing the agreed provisions of the Addendum. Section 1 specifies the additional information items to be exchanged that result from the amended CRS. The first paragraph of Section 2 clarifies that the Addendum will be in effect amongst signatories of the Addendum; that it will be an integral part of the CRS MCAA and that the provisions of the CRS MCAA apply *mutatis mutandis* to the Addendum. The second paragraph of Section 2 provides the notification procedure for Competent Authorities under the Addendum, which is further set out hereafter.

2. Subparagraph 2(a)(i) foresees a notification through which the Competent Authorities inform each other that their respective Jurisdictions have in place the necessary laws to implement the Addendum, i.e. by lodging an updated notification pursuant to subparagraph 1(a) of Section 7 of the CRS MCAA at the time of signature of this Addendum or as soon as possible thereafter, and specifying the relevant effective dates. This could also include the specification of any conditions in national legislative procedures that may necessitate the provisional application of the Addendum during a limited period.

3. It is acknowledged that it may not be possible for some Jurisdictions, in particular those who have either recently implemented, or are in the process of implementing, the Common Reporting Standard, to give effect to the additional reporting requirements in Section 1 of the Addendum at the same date. In such instances, the notification pursuant to subparagraph 2(a)(ii) allows a Competent Authority to indicate that its Jurisdiction does not yet have the necessary laws in place to implement the 2023 update to the Common Reporting Standard and is, therefore; requesting consent to continue sending information without the application or completion of the enhanced reporting and due diligence procedures of the 2023 update to the Common Reporting Standard during a specified transitional period. As the counterpart to the notification pursuant to subparagraph 2(a)(ii), the notification pursuant to subparagraph 2(b) then allows Competent Authorities to accept requests from other Competent Authorities for transitional periods specified in their notifications provided pursuant to subparagraph 2(a)(ii) by providing an updated notification pursuant to subparagraph 1(f) of Section 7 of the CRS MCAA.

4. In instances where consent for a transitional period in accordance with the above mechanism is not provided or where such period has expired, the Competent Authority whose Jurisdiction has the necessary laws in place to implement the 2023 update to the Common Reporting Standard may, as appropriate and in application of paragraph 1 of Section 2 of this Addendum, rely on the existing provisions pursuant to paragraph 3 of Section 3, and paragraphs 3 and 4 of Section 7 of the CRS MCAA, to no longer send the information or to suspend or deactivate the exchange relationship with another Competent Authority that has not implemented the 2023 update to the Common Reporting Standard.



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