

# Advanced training for Cyprus FIs : CRS / FATCA misinterpretations and imminent CARF / CRS 2.0

Misunderstandings of AEoI after a decade of implementation

> OECD Secretariat shatters nil value for settlors of irrevocable trusts

> Akrotiri tax-resident rule used as blocker for settlor of Cyprus trust and facilitates the world's best asset protection



**Mark Morris,**  
CRS expert, Zurich

**Mark Morris** interacted with the OECD on weaknesses and ambiguities of the Common Reporting Standard. Advises several European competent authorities and EU Finance Federations on the misapplications in the guidelines concerning EU Directives. Authored e-learning scripts for Baker & McKenzie regarding Common Reporting Standard and EU Savings Tax Directive. Has advised EU Commission and EU Parliament on aspects of Automatic Exchange of Information. Assisting EU Parliament on coercing the US to implement the unfulfilled promised reciprocal reporting of FATCA.

## 9.00 Treatment of trusts and underlying companies

- Nov 2024: OECD Secretariat coerced Singapore to report total value for settlors of irrevocable trusts: Writing on the wall for Cyprus; China uses Exchange on Demand on nil value trusts.
- When is a settlor of a Cyprus reporting trust not reported (excluding nil value sham)
- When is a trust an FI vs NFE
- Why a Cyprus foundation differs from trusts for AEOI
- HMRC on trusts being a Custodial Institution
- The strangest fee to qualify a trust as a Custodial Institution vs nominee
- Why trustee and custodian fees can be paid to unrelated third parties: some jurisdictions guidance wrong.
- The SPV Custodian mentioned in the OECD CRS FAQ
- If foundation can be a settlor, can a trust be a settlor
- Akrotiri Custodial Institution trust resettling into new trust is a blocker of the settlor, better than nil value of irrevocable trusts

10.30 Coffee break

## 10.50 Tax residence is a major flaw of CRS

- Why RbI and CbI continue to evade CRS despite OECD update
- Resolving reporting of dual resident companies
- Model Tax Convention Tie Breaker Rules determine residence of untaxed entities (CVI)
- Municipality issued utility bill sufficient proof of residence
- The misunderstanding of residence of untaxed NFEs versus untaxed Investment Entities
- Does 183 days determine sole tax residency
- Where jurisdiction CRS guidelines and seasoned practitioners often misinterpret
- Custodial Institution attributed income-connection test is wrong.
- Where authorities mistake on beneficial owners of listed companies

## 11.30 Investment Entities and Passive NFE

- When is an entity a reporting FI
- Does a corporate director pass the managed test of an Investment Entity?
- Is a director a Controlling Person of an FI. And NFE?
- Can an Active NFE be recategorized a Passive NFE even if doesn't change its activities
- What scams used to categorize a Personal ETF as a regularly trades?
- Active NFE holding loophole

## 12.10 Crypto Asset Reporting Framework

- The major differences between CRS and CARF
- Which structures are beyond the scope of CRS

12.40 Lunch

## 14.00 Reporting obligations

- Exploit Akrotiri/Dhekelia as location for UK non-resident trusts, optional decanted to Cyprus trusts
- Definitive method to identify account holders and controlling persons for due diligence
- Where an entity will be a CRS FI but not a FATCA FFI – Don't require a GIIN to be an CRS FI
- Failure to counter «Shell Bank Loophole» identified by the US Senate Finance Committee
- What value reported for Zero Cash Value PPLI and captive
- Consequences of ID Controlling Persons of Passive NFEs regardless status of parent chain
- When must a non-reporting FI report
- Treatment of account holders in non-participating jurisdictions
- What is the difference in non-participating jurisdiction such as Serbia vs Svalbard
- Are all European territories in CRS - TRNC, Åland, Büsingen, Campione, French overseas depts and regions vs collectivities, Netherland municipalities, the 4 British Overseas Territories, Ceuta & Melilla, Norwegian territories and biland, Kosovo, Transnistria, Georgian territories, 4 ex Yugoslavia republics...

15.00 Coffee break

#### 15.20 CRS flaws

- How Gibraltar/Jersey trust pensions evade CRS
- The custodians – Polar bear, Napoleon, Penguin, Military
- Why BEPS Mandatory Disclosure Rules is a failure
- When is a Holding Investment entity is a non-reportable Active NFE?
- Listing private companies on an exchange is a loophole or not
- Form a NFE company every 2 years as a non-reportable Active NFE is a scam
- Investment entity directed by its owner does not avoid CRS
- Barbados sham insurance to avoid CRS
- «Pasquantino»: advisors helping clients hide in the US can be convicted for wire/mail fraud.
- Can intangible assets, patents, IP convert Passive NFEs into non reportable Active NFEs
- The ignored anti-avoidance clause of shifting assets to a non-participating jurisdiction
- Any jurisdiction utilizing MCAA's article 29 to exclude territories

#### 16.20 Overlooked UK and British Overseas Territories

- UK non-resident trust trumps offshore trusts for flexibility, confidentiality and asset protection
- Why PSC of UK trusts differ from beneficial owner of Cyprus, BVI, Jersey, Singapore cos
- Exploit Akrotiri/Dhekelia as location for UK trusts
- St Helena's territorial tax
- Falklands no tax on dividends, capital gains
- Ascension as corporate trustee

17.30 End of the seminar

### LIMASSOL, THURSDAY 16 OCTOBER 2025, 9.00-17.30, CITY OF DREAMS

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I register to the seminar "Advanced CRS training for Cyprus FIs" on 16 October 2025.

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