

HMRC internal manual

International Exchange of Information Manual

From: **HM Revenue & Customs**
(/government/organisations/hm-revenue-customs)

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IEIM8000340 - Equal Nexus Criteria

Where a UK RCASP has more than one nexus and they are of equal standing in the hierarchy, such that it would have an obligation to report in more than one jurisdiction, the CARF requires reporting and due diligence in only one of the jurisdictions. It provides the option to make an election for reporting and due diligence in just one jurisdiction under Section I(H) of the rules to avoid duplicate reporting. This allows a RCASP to undertake the reporting and due diligence in one jurisdiction rather than multiple ones.

A notification under Section I (H) must be provided to HMRC:

- No later than the 31 January (31st May 2027, where it relates to the calendar year 2026) following the year to which it relates
- Is effective for the calendar year and all subsequent years until it is withdrawn

- State the jurisdiction where reporting and due diligence will be undertaken
- Must be provided in the form directed by HMRC.

Example

MemeCoin Ltd is tax resident in the UK and Belgium for the tax year ending 2026. Both jurisdictions are reportable jurisdictions and Belgium is on the UK's list of partner jurisdictions. There is an equal nexus in the UK and Belgium. MemeCoin Ltd may make a Section I (H) election to choose which jurisdiction it will complete reporting and due diligence requirements in.

MemeCoin Ltd decides to choose Belgium. MemeCoin Ltd makes a Section I (H) election by 31 May 2027 to HMRC, informing HMRC that they report in Belgium. The election will remain in effect until MemeCoin Ltd withdraw it. In subsequent years, HMRC will consider that MemeCoin Ltd will be reporting and conducting due diligence in Belgium.

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