Amendments to the Common Reporting Standard ("CRS 2.0") and Crypto-Asset Reporting Framework ("CARF)

Kingdom of Bahrain and Sultanate of Oman updates

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In brief

According to the latest list of jurisdictions committed to implementing the Crypto-Asset Reporting Framework ("**CARF**") under the Global Forum on Transparency and Exchange of Information for Tax Purposes ("**Global Forum**") CARF commitment process, the Kingdom of Bahrain has confirmed its commitment to implementing the CARF and is expected to undertake its first exchange of information in 2028.

In addition, the Sultanate of Oman has signed the Addendum to the Multilateral Competent Authority Agreement ("**Addendum to the MCAA**") on the Automatic Exchange of Financial Account Information ("**AEOI**") during the recent meetings of the Global Forum held in the Republic of India.

In detail

<u>The Kingdom of Bahrain commits to the CARF implementation:</u>

According to the latest list of jurisdictions committed to implementing the CARF under the Global Forum's CARF commitment process as of 24 November 2025, the Kingdom of Bahrain has been formally included among the "second wave" adopters. The Kingdom of Bahrain is expected to complete its implementation in time to conduct its first exchange of information under the new framework in 2028. The Kingdom of Bahrain is expected to sign the Multilateral Competent Authority Agreement ("MCAA") for the CARF, thereby paving the way for the incorporation of the CARF framework into its domestic regulatory regime.

<u>The Sultanate of Oman signs Addendum to the MCAA:</u>

In a parallel development, the Sultanate of Oman has signed the Addendum to the MCAA—commonly referred to as the "**CRS 2.0**" - thereby signalling its commitment to implementing the CRS 2.0. Whilst the formal go-live date has not yet been announced, this signing marks an important step in the Sultanate of Oman alignment with enhanced international tax transparency standards. The development took place during the recent meetings of the Global Forum held in the Republic of India.

These developments signal an increasing momentum within the GCC towards enhanced tax transparency and adoption of OECD-endorsed reporting frameworks. The Kingdom of Bahrain's commitment to CARF and the Sultanate of Oman's adoption of CRS 2.0 reinforce both countries' dedication to strengthening international tax transparency and supporting the global fight against tax evasion. By aligning themselves with the latest OECD tax information reporting regimes, the Kingdom of Bahrain and the Sultanate of Oman position themselves as cooperative and forward-looking participants in the global tax information exchange landscape.

Why is it relevant?

CARF relevance for businesses in the Kingdom of Bahrain:

CARF introduces several key definitions that form the foundation of the framework and reporting requirements:

- **Reporting Crypto-Asset Service Providers** ("**RCASP**"): Any individual or entity that, as a business, provides services effectuating Exchange Transactions in Relevant Crypto-Assets for or on behalf of customers.
- **Relevant Crypto-Assets**: Digital representations of value that rely on cryptographically secured distributed ledger or similar technology and can be used for investment or payment. Excluding, Central Bank Digital Currencies **("CBDCs")**, and Specified Electronic Money Products **("SEMPs")**.
- In-scope exchange transactions:
  - Exchange between Relevant Crypto-Assets and fiat currency;
  - Exchange between one Relevant Crypto-Asset and another;
  - Transfers of Relevant Crypto-Assets; and
  - Payments for goods or services made in crypto-assets where the value of the transaction exceeds USD 50,000.

Bahraini businesses, particularly those operating in or adjacent to the digital asset ecosystem, should begin evaluating whether their current activities, systems, and customer onboarding processes meet the anticipated CARF requirements. Early assessment will be crucial for ensuring compliance readiness ahead of the Kingdom of Bahrain's first expected exchange of information in 2028.

CRS 2.0 relevance for businesses in the Sultanate of Oman:

The CRS 2.0 represents a significant evolution in global tax transparency, reflecting the OECD's efforts to enhance compliance effectiveness and address the transformation of the financial system over the past decade (e.g., e-money platforms, digital payment providers, and central bank digital currencies CBDCs, etc.), which has created gaps in the existing Common Reporting Standard ("**CRS**") framework. The CRS 2.0 updates will:

- **Bring in-scope** Omani businesses previously not impacted by the CRS.
- **Increase** reporting complexity and potentially broaden the reportable population of account holders;
- Require IT and compliance **upgrades** to accommodate new data fields and digital asset classifications; and
- Increase **regulatory scrutiny** from Omani regulatory authorities to assess compliance levels.

Suggested next steps

The Sultanate of Oman's CRS 2.0 adoption implies potential modifications for businesses, especially those involved in digital financial services or emerging payment models, the expanded scope and increased reporting granularity may require early strategic planning. Assessing operational impacts, enhancing data governance, and preparing systems for more detailed reporting will be essential to achieving timely and effective compliance once CRS 2.0 is implemented in the Sultanate of Oman.

<u>CARF high-level considerations for businesses in the Kingdom of Bahrain:</u>

- Conduct an **impact assessment** to determine whether your business falls within the CARF scope, and
- For impacted Bahraini businesses, a **comprehensive implementation plan** should be prepared including, but not limited to, developing a governance framework, updating onboarding documentation and monitoring controls, and technology to manage and report data.

<u>CRS 2.0 high-level considerations for businesses in the Sultanate of Oman:</u>

Existing **RFIs under the existing CRS** should consider the following:

- Conduct a comprehensive **gap assessment** to identify areas of opportunity that require attention ahead of the CRS 2.0 implementation date,
- Identify **synergies** with ongoing compliance initiatives (such as Foreign Account Tax Compliance Act ("FATCA") or CRS) to achieve an **unified implementation project** , and
- As one of the main amendments of the CRS 2.0 relates to the expansion of the reporting data elements, **assess** current **technology platforms** to identify potential system gaps in due diligence, data management, and reporting.

Omani businesses that are **not currently in scope of the CRS** should consider the following:

- Conduct an **impact assessment** to determine whether your business falls within the CRS 2.0 scope, and
- For impacted Omani businesses, a **comprehensive implementation plan** should be prepared including, but not limited to, developing a governance framework, updating onboarding documentation and monitoring controls, and technology to manage and report data.

Contact us

For a deeper discussion of how this issue might affect your business, please reach out to:

Bilal Abba
Partner – Tax
bilal.abba@pwc.com
+971 54 793 4271

Joshua Rodriguez
Director – Tax
joshua.rodriguez@pwc.com
+971 50 429 3417

Mohammad Salim
Director – Tax
mohammad.salim@pwc.com
+966 56 207 2954

Tetiana Shpak
Senior Manager – Tax
tetiana.shpak@pwc.com
+971 (0)50 93 85 717

Thank you

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