KSA signs the MCAA Addendum for the OECD amendments to the Common Reporting Standard ("**CRS 2.0**")

August 2026

In brief

The Zakat, Tax and Customs Authority (“**ZATCA**”) in the Kingdom of Saudi Arabia (“**KSA**”) has signed the Addendum to the Multilateral Competent Authority Agreement (“**Addendum to the MCAA**”) on the Automatic Exchange of Financial Account Information (“**AEOI**”), reinforcing the country’s commitment to international tax transparency and alignment with Organisation for Economic Co-operation and Development (“**OECD**”) standards.

The Addendum to the MCAA gives effect to the OECD's amendments to the Common Reporting Standard ("**CRS 2.0**"), which represent the most significant update to the CRS framework since its introduction. The amendments are intended to strengthen the AEOI framework by expanding its scope to cover new financial products and enhancing due diligence and reporting requirements.

In detail

According to the OECD’s list of signatories to the addendum to the CRS MCAA, last updated on 29 July 2026, ZATCA signed the addendum to the MCAA commonly referred to as “CRS 2.0”—on 9 April 2026, thereby committing to commence automatic exchanges of information under the CRS 2.0.

The CRS 2.0 is expected to introduce, amongst other aspects, expanded reporting obligations, enhanced due diligence procedures, and alignment with new financial instruments — including crypto-assets and digital financial products.

CRS 2.0 updates include, but are not limited to:

E-money, Central Bank Digital Currencies and crypto-assets inclusion:
As part of the **"Depository Account"** definition**:**

- **Specified Electronic Money Product** ("**SEMP**"): Digital representations of a single fiat currency that are issued on receipt of funds for the purpose of making payment transactions, that are represented by a claim on the issuer denominated in the same fiat currency, that are accepted by a natural or legal person other than the issuer; and that, by virtue of regulatory requirements to which the issuer is subject, are redeemable at par for the same fiat currency upon request of the holder of the product, and

- **Central Bank Digital Currency** ("**CBDC**"): Any official currency of a jurisdiction, issued in digital form by a Central Bank.

As part of the "**Investment Entity"**, "**Custodial Institution**" and "**Financial Asset**" definitions:

- Relevant Crypto-Asset: a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and secure transactions different than a CBDC, SEMP, or any crypto-asset that cannot be used for payment or investment purposes.
- **Reporting requirements expansion:** Additional data elements from the Reporting Financial Institutions ("**RFIs**") are expected on annual basis.
- **Due diligence requirements strengthening:** More robust requirements for verifying account holder tax residency and controlling persons, temporary alternatives to determine account holders' tax residency are provided, reliance on government verification services, etc.
- **Expansion of definitions and interpretative guidance incorporation:** Amongst others, the following definitions are expanded by the CRS 2.0: "*Depository Institution*", "*Depository Account*", "*Investment Entity*", and "*Financial Asset*"; the CRS 2.0 includes interpretation to the "Investment Entity" definition by clarifying the terms *"business*" and "*customer*"; and, incorporates references to commentary in respect of the frequently asked questions ("**FAQs**") as a source of interpretation, where required.

Why is it relevant?

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 CRS framework. The CRS 2.0 updates will:

- **Bring in-scope** KSA businesses previously not impacted by the Common Reporting Standard ("**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;
- Increase **regulatory scrutiny** from KSA ZATCA to assess compliance levels.

Aligning with the CRS 2.0 framework will be critical for RFIs and newly impacted KSA businesses to implement the necessary modifications throughout 2026, in preparation for the anticipated go-live date.

Suggested next steps

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 future implementation of CRS 2.0 in KSA,
- Identify **synergies** with ongoing compliance initiatives (such as Foreign Account Tax Compliance Act ("FATCA") or CRS) to achieve a **unified implementation project** ahead of the future implementation of CRS 2.0 in KSA, 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.

KSA 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 KSA businesses, a **comprehensive implementation plan** ahead of the future implementation of CRS 2.0 in KSA 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:

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Thank you

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