



States of Guernsey Income Tax

*****Important – May Require Action by 11 May 2017*****

Notices issued for the US IGA and CRS Reporting Deadlines

This Notice is issued in accordance with Regulation 4 of the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014, to Reporting Guernsey Financial Institutions (“RGFIs”) for registration with and reporting through the Information Gateway Online Reporter (“IGOR”) ahead of the US Intergovernmental Agreement (“US IGA”) reporting deadline of on or before 30 June 2017.

This Notice is also issued in accordance with Regulation 4 of the Income Tax (Approved International Agreements) (Implementation) (Common Report Standard) Regulations, 2015, to a Reporting Financial Institutions in Guernsey (“RFIs”) for registration with and reporting through the Information Gateway Online Reporter (“IGOR”) ahead of the Common Reporting Standard (“CRS”) reporting deadline of on or before 30 June 2017.

For consistency, in this Bulletin references to “RGFI” should be read to apply equally to the terms RGFI and RFI from the respective above named regulations i.e. those Financial Institutions in Guernsey with reporting obligations to the Director for information from the Calendar Year 2016.

Bulletin 2017/2

US IGA Reporting

The Director of Income Tax (“the Director”) requires all RGFIs to make reports under the US IGA, implementing FATCA, in respect of the calendar year 2016 on or before **30 June 2017**. This is in accordance with The Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014 and The Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) (Amendment) Regulations, 2015 (hereinafter referred to as “the (UK and US) 2014 and 2015 Regulations”).

All RGFIs are required to submit the reports electronically, using the IGOR system (which can be accessed here <https://igor.gov.gg/> and the reports must be in the revised schema format (FATCA XML Schema v2.0). Please note that in accordance with the previous Bulletin 2016/8, the FATCA XML Schema v1.1 has been replaced and it is not possible for a RGFI to successfully submit data in anything other than the FATCA XML Schema v2.0 format.

Practical guidance in respect of the US IGA reporting

The following provisions of this Bulletin are intended to provide practical guidance and do not replace the requirement for a RGFI to ensure they comply with all of the relevant provisions of the

(UK and US) 2014 and 2015 Regulations and the provisions of the US IGA as implemented by those Regulations.

In accordance with Article 3 of the US IGA, the information to be reported for the calendar year 2016 is further expanded from the information you were required to report for 2014 and 2015 in respect of all identified reportable accounts, as follows:

Custodial Accounts

Total gross proceeds from the sale or redemption of property paid or credited to the account.

UK IGA Reporting

Standard Reporting

For the avoidance of doubt, it has been agreed with the UK that in order to facilitate the transition from the UK IGA to the CRS, without any loss of reportable data, the CRS reporting requirements should be supplemented by the provision of information on pre-existing individual low value accounts and pre-existing entity accounts in respect of UK residents. As such, UK 2016 calendar year information should be reported using the CRS.

In terms of the report itself, accounts identified as UK reportable for 2016 must be reported to the Director no later than **30 June 2017** in the format of the OECD's CRS XML Schema v1.0, along with any other CRS reportable jurisdiction accounts.

Alternative Reporting Regime ("ARR") (a provision available under the UK IGA only)

The CRS does not provide for any special arrangements, such as the ARR which exists under the UK IGA.

As a result of the adoption of the CRS from 1 January 2016, reporting of 2016 data for all relevant UK accounts will be required in 2017 including all UK non-domiciled account holders, i.e.

UK non-domiciled account holders, who have made the required elections and certifications for the ARR in respect of 2015 will be reportable under;

- ARR for the period 6 April 2015-5 April 2016; and
- CRS from 1 January 2016 onward.

Full details of the ARR report for the period 6 April 2015-5 April 2016 are shown below:

Reporting period 2015 (covering 6 April 2015 to 5 April 2016).

Where the Account Holder has correctly completed and submitted the self-certification to the RGF by 28 February 2017, an "ARR FULL" report shall be submitted.

For 2015, the "ARR FULL" report will comprise of the name, address, date of birth and National Insurance Number of the Account Holder and the Gross Payments and Movements of Assets as set out in Annex IV.D.1 and 2 of the UK IGA.

For the avoidance of doubt, a "ARR BASIC" report is not required for 2016 (UK Tax year 2016/17), as CRS reporting is required from 1 January 2016 for all UK residents.

CRS Reporting

The Director requires all RGFIs to make reports under the CRS, in respect of the calendar year 2016 on or before **30 June 2017**. This is in accordance with The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015 (hereinafter referred to as “the 2015 (CRS) Regulations”).

In order for a RGFI to meet the requirements of the CRS (and specifically the provisions of Regulation 4 of the 2015 Regulations) a RGFI must comply with the due diligence requirements imposed by, and provide the information required by, the Common Standard on Reporting and Due Diligence for Financial Account Information, as it applies in Guernsey, as set out in Schedule 2 of the 2015 (CRS) Regulations. When doing so RGFIs must take into account:

- a) the relevant provisions contained in the Commentary to the Common Reporting Standard ;
- b) the relevant provisions of the CRS-related Frequently Asked Questions published by the Organisation for Economic Co-operation and Development (“OECD”); and
- c) the relevant provisions of guidance notes issued by the Director, in accordance with Regulation 12 of the 2015 (CRS) Regulations.

All as published at the time of reporting.

All RGFIs are required to submit the reports electronically, using the IGOR system and the reports must be in the OECD’s CRS XML Schema v1.0.

Practical guidance in respect of the CRS reporting

The following provisions of this Bulletin are intended to provide practical guidance and do not replace the requirement for a RGFI to ensure they comply with all of the relevant provisions of the 2015 (CRS) Regulations,

Notwithstanding the requirements of the UK IGA/CRS transitional arrangements, above, in accordance with schedule 2 of the 2015 (CRS) Regulations, the accounts required to be reported to the Director for the calendar year 2016 data will be in respect of:

- Reportable New Individual Accounts opened on or after 1 January 2016;
- Reportable New Entity Accounts opened on or after 1 January 2016;
- Pre-existing Individual or Entity accounts, where the relevant due diligence procedures have established the accounts to be a “Reportable Account”.

The information to be reported for the calendar year 2016 is as detailed in Section 1, Schedule 2 of the 2015 (CRS) Regulations.

IGOR Registration process (applicable to both US IGA, UK IGA (ARR) and CRS reporting requirements)

Prior to making returns in accordance with either the US IGA the UK IGA, or the CRS the RGFI will need to register with IGOR. A Global Intermediary Identification Number (GIIN) is a requirement for

registration with IGOR (for the purposes of reporting under the US IGA only). This number is generated by the IRS and may be obtained by using the [online FATCA registration tool](#).

If a RGFI is registering with IGOR for the purpose of reporting under the CRS only and has no US reporting obligations, it will not be a requirement to supply the GIIN when registering, instead the Director will authorise the registration based upon the name of the RGFI. If a GIIN is held by the RGFI, this can, however, still be supplied on registration and will pre-populate the name of the RGFI based upon the US registered name. If the US registered name is not correct, however, this must be amended prior to proceeding with registration, as the correct legal name is used when verifying and authorising the RGFI.

When registering a RGFI on IGOR for the purposes of reporting under the US IGA this registration includes a cross reference with the most recent FATCA GIIN list, and a RGFI is only able to register with IGOR (for the purposes of reporting under the US IGA) once they have registered with the IRS AND the GIIN list has been updated to include them.

Once online registration has been completed, it will be reviewed and processed by the Director. Only once registration has been approved, will the RGFI be able to submit reports for any of the above mentioned reporting regimes.

RGFIs should be aware, that the IRS only refresh the GIIN list on the first day of the month, and applications for a GIIN made and approved in the last 5 days of the preceding month are not likely to make that month's updated list. The Director understands that typically a GIIN may take a minimum of 1-2 weeks to be approved following application. With the approaching deadline for reporting 2016 data, it is possible that the approval process may take even longer than this as the volume of registration may significantly increase.

Accordingly, it is recommended that if RGFIs have not already registered, that they ensure that they have left adequate time to submit their registration with the IRS, in order to receive approval and a GIIN to then be in a position to register with IGOR for timely reporting of 2016 data by 30 June 2017.

In view of the timeframe detailed above the Director has estimated that the final date for a RGFI to register with the IRS for a GIIN, (assuming a 1-2 week approval time) is likely to be 11 May 2017 or earlier, in order to ensure their GIIN appears on the Global GIIN list on 1 June 2017, to then enable the RGFI to register on IGOR.

Any messages or queries from the Director arising from the submitted schemas will be communicated to the RGFIs using the IGOR messaging service. RGFIs should, therefore, ensure that their contact details are up to date and messages are monitored regularly.

Should you wish to obtain further information concerning the US IGA, UK IGA or the CRS please visit the relevant Income Tax Office webpages which are dedicated to these matters:

<https://gov.gg/article/119720/Intergovernmental-agreements-FATCA>

<https://gov.gg/crs>

26/04/2017