



States of Guernsey Income Tax

Common Reporting Standard (“CRS”) and US IGA (“FATCA”)

Additional Validations and Corrections for Reporting Period 2016

Bulletin 2017/10

This Bulletin is issued under the provisions for Regulation 12 of The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015, and Regulation 4 of the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014

This bulletin is further to the previous Bulletin 2017/7 advising Financial Institutions that formal Notices may be issued by the Director requiring correction reports for FATCA and/or CRS depending on that already submitted in respect of both sets of regulations.

The validations incorporated into the Information Gateway Online Reporter (IGOR) have been further developed to take into account both the additional validation of the FilerCategory element for FATCA reporting and an identified commonality of record level errors identified from Reportable Jurisdictions following receipt of status messages from these jurisdictions. This development to IGOR has been undertaken to both identify the corrections which are required from Financial Institutions and also with the view of mitigating future error notifications/status messages for future reporting under both FATCA and the CRS. These additional validations are now in effect and will be applied against any FATCA or CRS reports filed through IGOR.

A summary of the additional validations which have been applied is detailed below, although full documentation, including examples can be found in the documentation included with IGOR and can be found under the tab Documentation as “CRS Validation” and “US FATCA Validation”. This can be found by accessing IGOR at the following address:

<https://igor.gov.gg>

In relation to any record level errors identified by the US IRS, Notices will be issued by the Director to relevant reporting Financial Institutions requiring corrected reports to be filed, shortly following the publication of this bulletin.

For CRS, the Director is still in the process of collecting and collating status messages from partner jurisdictions and it is anticipated that Notices in respect of CRS corrections will likely be issued mid to late January 2018.

Summary of additional validations:

FATCA

AccountHolder element

This now restricts the use of account holder types FATCA105 and FATCA106 which are not valid for reports made in Guernsey.

Relevant validation error message:

"Account holder type FATCA105/FATCA106 may not be used"

Reporting FI and FilerCategory elements

This additional validation now requires that the Filer Category must be specified, or a Sponsor element should be specified which has a Filer Category. Additionally only Filer Categories which are valid for reporting in Guernsey are permitted in the ReportingFI element. These are:

- FATCA601
- FATCA602
- FATCA603
- FATCA605
- FATCA610

FATCA607, 608 and 609 are prohibited for the ReportingFI element by the IRS FATCA XML User Guide (but is permitted for the sponsor element), and FATCA604, 606 and 611 are not valid for Guernsey reporting

The FATCA XML Schema V2.0 User Guide provides the following breakdown for the categories:

Filer Category Types: If the financial institution reporting the account is a:	FilerCategory for element	FilerCategory Value
PFFI (other than a Reporting Model 2 FFI and including a U.S. branch of a PFFI not treated as a U.S. person)	Reporting FI	FATCA601
RDC FFI (including a Reporting Model 1 FFI) Note: If an HCTA in a Model 1 IGA jurisdiction is sending information on accounts maintained by a Reporting Model 1 FFI, use filer category FATCA602 (RDC FFI).	Reporting FI	FATCA602
Limited Branch or Limited FFI	Reporting FI	FATCA603
Qualified Intermediary (QI), Withholding Foreign Partnership (WP), or Withholding Foreign Trust (WT)	Reporting FI	FATCA605
Withholding Agent (including a U.S. branch of a PFFI, Reporting Model 1 FFI, Reporting Model 2 FFI, or RDC FFI treated as a U.S. person, and a U.S. branch of a Reporting Model 1 FFI (including any other RDC FFI) or Limited FFI that is not treated as a U.S. person)	Reporting FI	FATCA610

For further information in relation to the Filer Category for FATCA reporting, please see the FATCA XML Schema V2.0 User Guide and any relevant documentation published by the US IRS.

Relevant validation error messages:

"The Filer Category of the ReportingFI element must be specified"

"This Filer Category is not valid for a ReportingFI"

"The Filer Category of a ReportingFI element must be omitted if there is a Sponsor with a Filer Category specified"

CRS

ResCountryCode element

This required that the ReportingFI ResCountryCode is provided in a report submitted and that this is shown as "GG".

Relevant validation error message:

"ReportingFI ResCountryCode must be provided..."

AccountNumber element

Where an AcctNumberType="OECD601" is shown, denoting an IBAN account, IGOR now validates that this follows the IBAN structured number format, namely the country code, length (which is determined by the country code), and check digit.

Relevant validation error message:

"An account number of type OECD601 must be a valid IBAN"

FirstName and LastName elements of Individual Account Holders or Controlling Persons

This validation ensures that both the FirstName and LastName of a Name element are not left empty.

The use of 'NFN' (No First Name) for individual account holders and controlling persons is suggested where the FI does not have complete first name information (whilst ensuring AML/KYC procedures and associated regulations and rules are adhered to).

Relevant validation error message:

"The FirstName/LastName of a Name element must not be empty"

AddressFix element

This validation ensures that where the Address element contains an AddressFix element that the City is not left empty.

Relevant validation error message:

"The City element of an AddressFix element must be populated"

AddressFree element

This validation ensures that where the Address element contains an AddressFree element that this is not left empty.

Relevant validation error message:

"AddressFree elements must be populated"

BirthDate element of Individual Account Holders or Controlling Persons

This ensures that the date of birth included is within a valid range and is not:

- Earlier than 1900.
- After the current year.

Relevant validation error message:

"Date of birth must not be earlier than 1900/after the current year"

AcctHolderType element

This requires that when the account holder is an organisation and the account holder type is shown as "CRS101" (denoting a Passive Non-Financial Entity with one or more controlling persons that is a Reportable Person), the controlling person type must be provided

or

When the account holder is an organisation and the account holder type is CRS102 (CRS Reportable Person) or CRS103 (Passive Non-Financial Entity that is a CRS Reportable Person), the controlling person type must be omitted.

Relevant validation error message:

"The controlling person type must be provided/omitted"

AccountBalance element

This requires that the AccountBalance must not be less than zero.

Relevant validation error message:

"The account balance must be greater than or equal to zero"

ClosedAccount attribute on the AccountNumber element

This requires that if the ClosedAccount attribute on the AccountNumber element is shown as "true", that the account balance must then be zero

Relevant validation error message:

"The Account Balance must be zero if account is indicated as closed"

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