



# States of Guernsey Income Tax

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## US IGA (“FATCA”) TIN Validations for Reporting Periods 2017 - 2019

### Bulletin 2018/1

#### **IMPORTANT UPDATE – NECESSARY FOR FATCA REPORTING OF CALENDAR YEAR 2017 INFORMATION**

**This Bulletin is issued under the provisions of Regulation 4 of the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014**

Notice 2017-46 was issued by the US IRS on 25 September 2017 addressing the obligation to obtain and report taxpayer identification numbers (“TINs”) and dates of birth. A copy of this Notice can be found here:

<https://www.irs.gov/pub/irs-drop/n-17-46.pdf>

This Notice is applicable to the Intergovernmental Agreement signed with the US on 13 December 2013 and the obligation to obtain the details referred to in the Notice is mandated by The Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014 (“the Regulations”).

The Regulations requires FIs to obtain a US TIN for all preexisting account holders, and for the required reporting of this TIN for calendar year 2017 data onwards via the Information Gateway Online Reporter (IGOR). For reportable years prior to 2017, for preexisting account holders a TIN was not required to be provided (In such instances, nine zeros “000000000” was used in the absence of this TIN), and a date of birth was only required if this was already held by the FI.

Failure to provide these details for calendar year 2017 reporting onwards would ordinarily be considered significant non-compliance by the US IRS and would be a contravention of the Agreement under the Regulations. Notice 2017-46 has stated, however, that in relation to reporting for the calendar years 2017, 2018 and 2019, any failure to report TINs for preexisting accounts will not be determine as significant non-compliance providing the FI:

- (1) obtains and reports the date of birth of each account holder and controlling person whose U.S. TIN is not reported;
- (2) requests annually from each account holder any missing required U.S. TIN; and
- (3) before reporting information that relates to calendar year 2017, searches electronically searchable data maintained for any missing required U.S. TINs.

In addition to Notice 2017-46, the Director has also received further Guidance from the US IRS that has explained that in instances where a TIN is not held and the FI has complied with points 1 to 3 above, that FIs should include in any report made, nine capital letter A's ("AAAAAAAAA") in the absence of a valid TIN.

Although this relaxation to the requirement to obtain TINs in respect of preexisting account holders is not covered by the Regulations, the Director will not look to pursue any penalties or refer such a matter for consideration of prosecution in the event that a FI fails to provide a TIN, so long as that FI can demonstrate that they have taken the necessary steps detailed in Notice 2017-46, repeated above as points 1 to 3 (in relation to reports relating to the calendar year 2017, to be reported on or before 30 June 2018).

IGOR has been updated to accommodate this as a change in the validation rules applied when a FATCA report is received. These additional validation rules will apply solely to the format of the TIN reported and will follow the revised parameters detailed below:

A TIN must be:

- A 9 digit number, or 9 digits with dashes in the form '12-3456789' or '123-45-6789' [i.e. this will be **ACCEPTED**]
- The TIN must not be empty [i.e. this will be **REJECTED**]
- For 2017 data onwards the TIN must not be nine consecutive zeroes ('000000000') [i.e. this will now be **REJECTED**]
- In the absence of a valid TIN, nine capital letter A's (AAAAAAAAA) can be used, but in such circumstances a date of birth will also be required. So long as nine capital letter A's (AAAAAAAAA) is provided and a date of birth is also provided, this will be **ACCEPTED**. Where nine capital letter A's (AAAAAAAAA) are provided and no date of birth is given, this will be **REJECTED**.

16 January 2018