



Bulletin 2019/3

IGOR Reporting Practical Guidance

This Bulletin is issued by the Director of the Revenue Service (“the Director”) under the provisions of Regulation 12 of [The Income Tax \(Approved International Agreements\) \(Implementation\) \(Common Reporting Standard\) Regulations, 2015](#) (“The CRS Regulations”) and Regulation 10 of [The Income Tax \(Approved International Agreements\) \(Implementation\) \(United Kingdom and United States of America\) Regulations, 2014](#)

Correct identification of “UNDOCUMENTED” accounts for CRS Reporting

It has come to the Director’s attention that some Guernsey Financial Institutions (FIs) may be incorrectly applying the CRS due diligence procedures in determining what accounts are considered “UNDOCUMENTED”.

The limited circumstances in which this description applies are set out below:

Pre-existing Individual Accounts

Where the required indicia search results in one or more indicia associated with the account, the Account Holder will be reported as a resident for tax purposes of that Reportable Jurisdiction UNLESS the indicia is appropriately “cured” with a self-certification and Documentary Evidence establishing the jurisdiction of residence.

Where a self-certification cannot be obtained in this instance the account shall be reported instead on the basis of the original indicia found.

The exception is where the **only** indicia found on review of a Pre-Existing Individual Account is a “hold-mail” or “in-care-of” address, as follows:

Lower Value Account

Where an Electronic Record search has been conducted and no other address or any of the specific indicia (Section III, B(2)(a)-(e) of the CRS Regulations) are identified for the Account Holder, the RFI must seek to obtain the tax residence of the Account Holder by (in no order of preference):

1. A. conducting a paper record search, or
B. attempting to obtain documentary Evidence or Self-Certification from the Account Holder.
2. Where Indicia is identified using the processes in 1A or 1B, the Account Holder is reported as tax resident of the relevant Reportable Jurisdiction.
3. Where 1A **AND** 1B have been conducted but have failed to identify indicia or obtain self-certification THEN the account shall be reported as “UNDOCUMENTED”.

Where an Undocumented Lower Value Account is identified, it will be reported annually as “undocumented” to the Director until such year where there is a change in circumstances that identifies one or more indicia, or the account becomes a High Value Account.

High Value Account

Where the enhanced review procedures (the Electronic Record search, Paper Record Search and Relationship Manager Inquiry) have been conducted and no other address or any of the specific indicia (Section III.C(2)(a)-(e) of the CRS Regulations) are identified for the Account Holder, the RFI must seek to establish the tax residence of the Account Holder by attempting to obtain self-certification or Documentary Evidence from the Account Holder.

If this is not successful, the account must be reported as “UNDOCUMENTED” for that year.

Thereafter, the Enhanced Review Procedures shall be re-applied annually until the account ceases to be UNDOCUMENTED.

The Undocumented Higher Value account shall have enhanced review procedures applied annually until such time as the account ceases to be undocumented.

For the avoidance of doubt, an account where there is no TIN (and where relevant no Date of Birth) is **not** an UNDOCUMENTED account for the CRS.

Reporting an Undocumented Account in the CRS Schema

An Undocumented Account shall be identified in the CRS Schema by reporting the following:

- “GG” as the tax residence country code in the ResCountryCode element of the Schema, in accordance with Section II.a of the Schema guide in the Commentary; **and**
- “UndocumentedAccount” in the AccountNumber element of the Schema, in accordance with Section IV.d of the Schema guide in the Commentary.

Reporting FATCA accounts with no TIN

The concept of an undocumented account does not exist in FATCA and the US Schema does not permit the reporting of such accounts.

In accordance with the FATCA reporting requirements, for reporting with respect to 2017 and subsequent years, FIs are required to obtain the US TIN of each specified US person. The only permitted concession is where nine capital A's (AAAAAAAAA) may be used for calendar years 2017, 2018 and 2019 for pre-existing accounts in accordance with the conditions as specified in US IRS Notice 2017-46.

In the very limited circumstances in which an FI would be unable to report due to missing TIN and/or date of birth indicia, the Director requires the following information to be emailed to eoigov@gov.gg with the subject header "FATCA Accounts not reported on IGOR":

1. an excel spreadsheet containing a schedule of all accounts that have not been reported containing all the information as would have been reported in the FATCA report,
2. an explanation of the reason(s) why no TIN or date of birth was available (for example, due to a non-compliant account holder or due to inadequate procedures being implemented by the FI to obtain the necessary due diligence); and
3. confirmation (or otherwise) that the accounts are "pre-existing" accounts.

In all cases, the classification of an account as Undocumented may be the result of a non-compliant Account Holder or due to inadequate procedures being implemented by the FI to obtain the necessary due diligence required. Enquiries will be made for compliance purposes by the Director where an RGFI reports undocumented accounts.

Practical Guidance for IGOR reporting where TINs are not available

CRS

If a TIN is not available, the TIN element should be omitted from the Schema in order to report on IGOR.

In all cases, the omission of a TIN will be reviewed by the Director for compliance purposes and regulatory action may be taken in this regard where there is an obligation to obtain this information (for example under the relevant due diligence procedures for new accounts opened from 1 January 2016).

FATCA

Account Holder or Payee Information

A TIN must be reported (notwithstanding the concession for pre-existing Individual account holders a TIN of 9A's may be used for calendar years 2017, 2018, and 2019) to confirm that the Reporting Financial Institution:

- (a) is reporting the date of birth of the account holder whose U.S. TIN is not reported;
- (b) requests annually from each account holder any missing required U.S. TIN; and
- (c) has searched its electronically searchable data and been unable to find the missing U.S. TIN.

Identifying Substantial US Owners

Individual TIN

A TIN must be reported notwithstanding the concession as specified above for pre-existing Individual account holders for calendar years 2017, 2018, and 2019.

Organisation TIN

A TIN must be reported notwithstanding the concession as specified above for pre-existing Individual account holders for calendar years 2017, 2018, and 2019.

No date of birth is required for organisations. This element can be left blank.

In all cases, the omission of a TIN will be reviewed by the Director for compliance purposes and regulatory action may be taken in this regard where there is an obligation to obtain this information.

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 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>

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