

KPMG AEOI Updates & Tracking Service FATCA Alert

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Jersey: FATCA Guidance related to US TINs

The Government of Jersey recently received guidance from the IRS and circulated information for reporting of all Individual Account Reports without a valid US TIN. The IRS have provided several default TINs to use depending on the reason for not submitting a valid US TIN.

Financial Institutions (FIs) can make use of the default US TINs in relation to the 2020 reporting year. However, if a default TIN is used, the IRS will return an error and request a correction file with a valid US TIN for those accounts. Before submitting 2020 FATCA reports, by the reporting deadline of 30 June 2021, Reporting FIs should identify all account holders that do not have a valid US TIN, in order to identify if any valid US TINs have not been reported.

Per the agreement signed between Jersey and the US, Jersey committed to the rules requiring Reporting FIs in Jersey to obtain the US TIN for each Specified US Person. Revenue Jersey will therefore require a detailed explanation of the number of account reports reported without a valid US TIN by 31 July 2021. The breakdown must consist of the default options provided to the IRS and the steps taken to obtain a valid US TIN from the account holders. Obtaining a valid US TIN needs to be considered as a standard part of the customer due diligence procedures.

Acceptable default TINs

- Code 222222222, pre-existing individual account where the only US indicia is a US place of birth.
- Code 333333333, new individual account with indicia indicating a US place of birth, and either:
 - a) has had a change in circumstances to cause the self-certification originally obtained at account opening to be

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incorrect or unreliable, and a new self-certification has not been obtained, or

- b) was below the threshold for documenting and reporting the account at the time of account opening, and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- Code 444444444, pre-existing individual and entity account that has US indicia other than a US place of birth, and either:
 - a) has had a change in circumstances, to cause the self-certification or other documentation originally obtained to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained
 - b) was below the threshold for documenting and reporting the account at the time of account opening and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
 - Code 555555555, new individual or entity account with US indicia other than a US place of birth and either:
 - has had a change in circumstances to cause the self-certification or other documentation originally obtained to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained
 - was below the threshold for documenting and reporting the account at the time of account opening and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
 - Code 666666666, pre-existing entity account with an account balance exceeding US\$1,000,000 held by a passive NFFE, for which no self-certifications have been obtained, and no US indicia has been identified in relation to its controlling persons.
 - Code AAAAAAAAA, for any reason other than those listed above.

Timetable for obtaining valid US TINs (2020 reporting)

- 30 June 2021: FATCA reporting deadline. FIs should have identified as many US TINs as possible via paper and electronic file searches and completed their reporting obligations;
- 31 July 2021: deadline to provide the Jersey AEOI Team with a list of all default TINs used including the number of account

<p>holders reported with that default TIN and the steps taken to obtain valid US TINs,</p> <ul style="list-style-type: none"> — 30 September 2021: Revenue Jersey’s deadline to exchange all US FATCA reports with the United States of America, — 31 October 2021: date by which the United States of America will notify Jersey of all invalid US TINs, including all default TINs used by the FIs; and, — 30 November 2021: deadline to submit a FATCA2 correction file including all the valid US TINs. No default TINs can be used. 	
<p>Reference: To be published</p> <p>For information on KPMG’s global AEOI network professionals, please email GO-FM AEOI Program Support.</p> <p>For more information on KPMG AEOI Updates & Tracking Service, please see here.</p> <p>For additional summaries of the latest AEOI developments, please visit KPMG’s TaxNewsFlash-FATCA/IGA/CRS Insights page, here.</p>	

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