KPMG AEOI Updates & Tracking Service FATCA/CRS Alert

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Barbados: AEOI Submissions for Reporting Periods 2020 & 2021

The Barbados Revenue Authority (BRA) recently issued a guidance note for all Barbados Financial Institutions (FIs) regarding Common Reporting Standard (CRS) & Foreign Account Tax Compliance Act (FATCA) submissions for the 2020 & 2021 reporting periods.

The updates are as follows:

- Corrections to the CRS & FATCA reports for 2020 reporting period: The BRA observed the following discrepancies while reviewing the CRS & FATCA data received from Reporting Barbados FIs for the 2020 reporting period:
  - FIs provided possibly incorrect dates of birth for reportable persons, and
  - FIs have entered nine A's, 0s or 9s, or have used the series of codes developed by the Internal Revenue Service (IRS)

  The BRA notes that all FIs that have submitted data mentioned above are required to make necessary corrections and file a corrected report via the AEOI web portal on or before 28 February 2022.
- AEOI Web Portal re-opened for 2020 and prior reports: The AEOI web portal opened on 12 January 2022 and will be available until 28 February 2022 to facilitate any prior-year CRS and/or FATCA report filing, or to make corrections to prior year reports. In order to file these reports, FIs must first notify the BRA by sending an email to compauth@bra.gov.bb. The required information to be included in the notification email is provided in the guidance.

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These submissions must be prepared using the CRS 2.0 schema.

At this time, reports for the 2021 reporting period cannot be submitted.

- FATCA filings for the 2021 reporting year: Effective from the 2021 reporting year, FIs are advised to use the following codes developed by the IRS to better understand the issues that Reporting FIs face when collecting US TINs:
  - 222222222, for pre-existing individual accounts with only US indicia being a US place of birth.
  - 333333333, for new individual accounts that (1) have indicia of a US place of birth, and (2) either:
    - there was a change in circumstances that resulted in the self-certification collected at the time the original account was opened to be inaccurate or unreliable, and a new self-certification has not been obtained, or
    - the account balance was below the threshold for collecting documents and reporting the account at the time of account opening but exceeded the threshold later and a self-certification was not obtained.
  - 444444444, for pre-existing individual and entity accounts that (1) have US indicia other than a US place of birth, and (2) either:
    - there was a change in circumstances that resulted in the self-certification collected at the time the original account was opened to be inaccurate or unreliable, and a new self-certification has not been obtained, or
    - the account balance was below the threshold for collecting documents and reporting the account at the time of account opening but exceeded the threshold later and a self-certification was not obtained.
  - 555555555, for new individual or entity accounts that (1) have US indicia other than a US place of birth, and (2) either:
    - there was a change in circumstances that resulted in the self-certification collected at the time the original account was opened to be inaccurate or unreliable, and a new self-certification has not been obtained, or
    - the account balance was below the threshold for collecting documents and reporting the account at the time of account opening but exceeded the

threshold later and a self-certification was not obtained. — 666666666, for pre-existing entity accounts 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. Reporting Barbados FIs are reminded that, in the absence of a US TIN, the IRS will continue to generate an error notification to indicate that the entry is invalid. The use of codes "AAAAAAAAA" or "999999999" will not suppress the error notification beginning with the 2020 reporting period. FIs will have 120 days to correct this error. If not corrected, the IRS will assess whether there has been significant non-compliance. In doing so, the IRS will examine all the facts and circumstances, including: — The reasons why the US TINs could not be obtained, — The procedures outlined by the Barbados Reporting FI to obtain these unknown US TINs, and — The efforts made in this regard. If significant non-compliance is established, the IRS will convey the non-compliance through the BRA.	
Reference: Guidance For information on KPMG's global AEOI network professionals, please email GO-FM AEOI Program Support. For more information on KPMG AEOI Updates & Tracking Service, please see here. For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, here.	

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