

KPMG AEOI Updates & Tracking Service FATCA Alert

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Honduras: Issued Circular 01/2023

On 23 February 2023, The National Commission of Banks and Insurance issued Circular 01/2023, providing updates related to Internal Revenue Service (IRS) Notice 2023-11, [here](#), that outlines temporary relief provided to Model 1 Foreign Financial Institutions (FFIs) that are unable to report missing US TINs for pre-existing accounts. In accordance with the notice, the IRS has updated the series of TIN codes that were in use.

Calendar year 2022 reporting (due by 30 September 2023) will be considered to be a transition year. FFIs should use either the TIN codes issued by the IRS in May 2021 or the updated codes provided below to be eligible for the relief. For reporting calendar years 2023 (due by 30 September 2024) and 2024 (due by 30 September 2025), FFIs should use the updated TIN codes, as applicable for their accounts, explaining the inability of the FFIs to report a US TIN. The use of the updated codes will allow the IRS to better understand the reason behind the missing US TINs.

The updated codes are provided below:

- 222222222, for pre-existing individual accounts where the only US indicia is a US place of birth, other than accounts reported under code 000222111. This code will take precedence if any other code (other than 000222111) is also applicable.
- 000222111, for pre-existing individual custodian accounts where the only US indicia is a US place of birth. FFIs should determine whether the account holder is a resident of the respective jurisdiction where the account is maintained for Anti-Money Laundering (AML) and tax purposes. The term “deposit account” holds the same meaning as defined in the applicable Model 1 Intergovernmental Agreement (Model 1 IGA). This code will take precedence if any other code is also applicable.
- 333333333, for new individual accounts with indicia indicating a US place of birth, and either:

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- A change in the circumstances had happened to cause the self-certification obtained originally at account opening to be incorrect or unreliable, and a new self-certification has not been obtained, or,
 - Was below the threshold at the time of account opening for documenting and reporting the account and subsequently exceeded the threshold, and a self-certification has not been obtained.
- 444444444, for pre-existing individual and entity accounts that has US indicia other than a US place of birth, and either:
- A change in circumstances had happened that either results in one or more US indicia associated with the account, or causes the self-certification or other documentation obtained originally, to be incorrect or unreliable, and a new valid self-certification or other documentation has not been obtained subsequent to the changes in the circumstances, or;
 - Was below the threshold on the determination date provided in the applicable Model 1 IGA for documenting and reporting the account and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 555555555, for a new individual or entity accounts with US indicia other than a US place of birth and either:
- A change in circumstances occurred to cause the self-certification or other documentation obtained originally to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained, or;
 - Was below the threshold at the time of account opening for documenting and reporting the account and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 666666666, for pre-existing entity accounts held by passive Non-Financial Foreign Entities (NFFEs) with one or more controlling persons with respect to which no self-certifications have been obtained, nor US indicia has been identified in relation to its controlling persons.
- 777777777, for pre-existing accounts with no US TIN available and the account has been dormant or inactive but remains above the threshold limit for documenting and reporting. An account is deemed to be dormant if it meets the definition provided in the US Treasury Regulations §1.1471-4(d)(6)(ii) and had no financial activity in the last 3 years, other than the posting of interest. However, if the account can be classified into multiple TIN codes, then the other codes will take

precedence.

- 999999999, for any other account where the FFIs could not obtain a valid TIN and none of the other codes are applicable. The use of this code indicates that the FFI has completed a review of accounts without US TINs and has in good faith applied TIN codes to the records when applicable.

The use of the updated codes in the IRS system will generate an error notification indicating that the entry is invalid. For the purposes of such error, a rectification period will be provided under the provisions of the "Administrative errors or other minor errors" of the Competent Authority Agreement (CAA).

Reference (Spanish): [Circular 01/2023](#) [PDF 884KB]

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For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

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