

KPMG AEOI Updates & Tracking Service FATCA Alert

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Liechtenstein: Provided FATCA TIN Updates

On 01 June 2023, the Tax Authority of Liechtenstein updated its FATCA reporting technical guidance. The guidance supersedes the version published on 06 October 2022. The guidance is updated to reflect the use of revised dummy US Tax Identification Number (TIN) codes based on Internal Revenue Service (IRS) Notice 2023-11 and the use of a national TIN of a non-US entity with a US substantial owner.

Following is the summary of the updated TIN codes:

- 22222222, 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 depository individual 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 “depository account” holds the same meaning as defined in the FATCA agreement. This code will take precedence if any other code is also applicable.
- 33333333, for a new individual account with indicia indicating a US place of birth, and either:
 - has had a change in circumstances 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 for documenting and reporting the account at the time of account opening, and

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subsequently exceeded the threshold, and a self-certification has not been obtained.

- 444444444, for a pre-existing individual account and an entity account that has 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 obtained originally to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained, or;
 - 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.
- 555555555, for a new individual account and an 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 obtained originally to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained, or;
 - 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.
- 666666666, for pre-existing entity accounts held by passive NFFEs with account value greater than \$1,000,000 with respect to which no self-certifications have been obtained nor a 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 a “dormant account” if it meets the definition provided in the US Treasury Regulations and had no financial activity in the last 3 years, except for 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 IRS system will still generate an error notification to indicate that the entry is invalid when one of the above codes is used. Reporting Financial Institutions (FI)s must make a correction within 120 days by submitting a FATCA3 cancellation report (with reference to the original FATCA1 report) and a subsequent new FATCA1 report (if a US TIN is available in the meantime). If the TIN is still missing following the rectification period, the IRS will evaluate the data received and determine whether significant non-compliance has occurred, taking into consideration the facts and circumstances in each case.

Per Notice 2023-11, FFIs reporting for calendar year 2022 (due June 2023), 2023 (due June 2024) and 2024 (due June 2025) will not be considered significantly non-compliant when using the updated TIN codes for missing US TIN for pre-existing US accounts if certain conditions are adhered to. FIs with missing US TIN for each reportable account are eligible for this relief if they:

- obtain and report the date of birth of each individual account holder and Controlling Person;
- annually inquire for US account holders or US Controlling Persons whose US TIN cannot be reported;
- annually search for any missing US TIN in the electronic data maintained by the FFI; and
- use of the updated US TIN codes for US account holders and US Controlling Persons whose US TIN cannot be reported.
- annually request for any missing US TIN from each account holder by proper methods of communication that are likely to reach each account holder, including either:
 - the web address of the State Department's Joint FATCA Frequently Asked Questions (FAQs), [here](#), or
 - a copy of the FAQs and either a copy of the relief procedures published by the IRS for specific former citizens or the web address, [here](#), for such procedures.

Additionally, FFIs should document and retain the policies and procedures applied for the fulfillment of the conditions described above, as well as documentation proving adherence to the policies and procedures.

The guidance further notes that if a non-US entity has US substantial owners, the non-US entity typically does not possess a US TIN. As a result, it is not possible to input a US TIN in the required field. In this scenario, the national tax number (foreign TIN) of the non-US entity must be provided. The use of a foreign TIN for non-US entities will not generate the error notification and hence there will be no significant non-compliance.

<p>Additionally, the Tax Authority issued Newsletter 02/2023 which includes the following updates:</p> <ul style="list-style-type: none"> — For reporting year 2022, FFIs may use the 2023 dummy TIN codes. FFIs should provide the message using an individual message mask. — The FATCA deadline for reporting year 2022 is 30 June 2023, with no extension planned. FFIs encountering any reporting delays due to the adjustment of updated TIN codes, or TIN of a non-US entity with a US substantial owner, must contact the tax authority in advance. — For the 2022 reporting year, the current version (2023) of the certificate must be used for XML bulk reports. An error notification will be generated if an outdated certificate is used. 	
<p>Reference: FATCA Technical Guidance [PDF 1,022KB], Newsletter 02/2023 [PDF 149KB]</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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