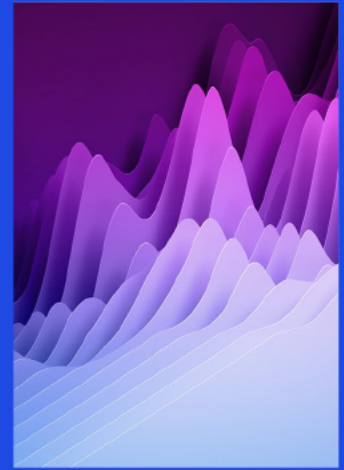




KPMG AEOI Updates & Tracking Service FATCA/CRS Alert



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Jersey: Issued Guidance on Common Errors in 2022 FATCA and CRS Reporting

On 29 January 2024, the Government of Jersey issued guidance regarding common errors identified in the 2022 FATCA and CRS reporting. Below are the common errors and the steps to mitigate them:

- **FATCA registrations and requesting a Global Intermediary Identification Number (GIIN):** FIs should register for a GIIN, [here](#), ahead of the June reporting deadline, ideally by mid-May, to ensure timely inclusion in the IRS GIIN list. The guidance emphasizes matching the FI's name in the report exactly with the IRS GIIN list to prevent validation errors, highlighting the case and space sensitivity of the name field. It notes that FATCA reports will not be accepted without a valid US GIIN. Certified deemed-compliant Jersey Reporting FIs without a GIIN should consider using a TIN, company registration number, EIN, or other allowable identifying number. De-registration must be promptly undertaken upon FI liquidation or reclassification, ensuring the fulfilment of final filing obligations to avoid inquiries and potential penalties.
- **Failure to validate self-certifications:** FIs must not solely rely on FATCA GIINs to validate self-certifications received at account opening, asserting an entity's status as an FI. To mitigate this common error, FIs should conduct thorough due diligence procedures during account opening, including reasonableness checks on self-certifications. Additionally, FIs need to request for relevant documentation from entities identified as FIs and consult public registries and databases

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for further validation. The guidance notes the onboarding FI should promptly clarify any discrepancies with the prospective account holder before finalizing the account opening.

- **CRS returns without Date of Birth (DoB) or Tax Identification Number (TIN):** To prevent rejection due to validation errors, FIs must adhere to Revenue Jersey's practical guidance notes for TY2023, [here](#), including updated validations and details on correct FATCA dummy TINs. The guidance further notes that a date of birth entry before 01 January 1909 is not permissible from 2023 onwards and reports with old default dates or blank DoB elements will be invalid. Successful validation on the Jersey AEOI portal requires either a valid DoB or the removal of the DoB element.
- **Dummy TINs being used:** The guidance addresses this issue by recommending annual demonstration of outreach efforts for pre-existing accounts and establishing mechanisms to detect changes in circumstances. FIs are mandated to obtain a TIN during account opening as part of self-certification for new accounts and must put reasonable efforts to obtain a TIN for pre-existing accounts. In case of a Change in Circumstance, FIs should secure a self-certification and new documentary evidence within 90 calendar days to establish the jurisdiction of residence.
- **Validation error on submission:** To mitigate the common error of validation issues during submission, the guidance recommends ensuring exact spelling, including special characters, and cross-checking with a prior successful submission. Additionally, for CRS reporting, large return deliveries should be split into separate OECD1 files. All FATCA and CRS returns must be submitted in XML format on the Jersey AEOI portal, as any other format will not be accepted. In cases of XML errors, the FI name's spelling is case-sensitive and must match the IRS list exactly, including spacing, hyphens, or dashes. The guidance also highlights the importance of checking the drop-down box selection for CRS during submission and verifying the Namespace format and version to address CRS return filing errors, ensuring alignment with previous successful submissions.
- **Deadline for corrections:** Though there is no specific deadline for corrections, the guidance advises FIs to ensure that corrections are submitted early to mitigate potential compliance penalties. The guidance also advises FIs to address errors voluntarily and promptly upon identification, rather than waiting until October to submit corrections and amendments. The guidance recommends FIs to communicate with the Jersey AEOI team at AEOI@gov.je

regarding the corrections. The AEOI Portal remains inactive in September and early October, with exact dates communicated in advance via the mailing list.

- **Not marking accounts as closed:** The guidance notes that it is important to mark financial accounts as closed during the relevant reporting period, as failure to do so results in an error. Mitigating this involves ensuring accurate reporting of the account status. In cases of account closure, the reported information must include details about the closure and the gross payments made to the account holder during the relevant reporting period. Specifically, when an FI is in the process of dissolution or liquidation, information related to that closed reportable account remains annually reportable until the date of closure of the financial account.
- **Change of FI name not reflected:** The guidance further notes that a common error occurs when an FI undergoes a name change, and the FATCA IRS GIIN account and AEOI portal are not promptly updated, leading to a potential rejection of the return. To mitigate this issue, it is important for FIs to ensure that both the FATCA IRS GIIN account and the AEOI portal reflect the new name following any change. Specifically, for FATCA reporting, the FI's name must exactly match the IRS GIIN list. If a mismatch occurs, FIs can address the issue by either utilizing a Sponsor GIIN (if available) or applying for a new GIIN, ensuring the existing GIIN list is updated with the correct name. The guidance also highlights that changes made in June may not be reflected before the 30 June filing deadline, as the IRS updates its list at the beginning of each month. It is therefore advised for FIs to complete these updates ahead of the deadline.

Reference: [Guidance on FATCA/CRS Common Errors](#) [PDF 482KB]

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

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For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

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