

NOTICE

USA's Internal Revenue Service - IRS, has sent new information regarding missing Taxpayer Identification Number - TIN numbers, or when a taxpayer identification number - TIN number is completed with nine A such as "AAAAAAAAAA", or nine 0 such as "000000000".

The information was as follows:

Question: We are a Foreign Financial Institution under Model 1 Agreement and the Taxpayer Identification Number - TIN number granted under Notice 2017-46 with regard to handling of pre-existing account will expire following the data reporting of 2019. Should we report all required taxpayer identification numbers – TIN numbers, when we provide data for the forthcoming tax year?

Interim period facilitations for Foreign Financial Institutions to obtain a Taxpayer Identification Number – TIN number, available until conclusion of the period on 31st of December 2019, will expire following the reporting for the calendar year 2019. The first year when a USA TIN number for a reportable USA account will be required is for the tax year 2020, which will be exchanged by a FATCA partner until 30th of September 2020.

However, the Model 1 reporting for a Foreign Financial Institution does not require to immediately, from 1st of January 2020, close or maintain an account that does not contain a TIN number. A Notice of Error will give rise to a situation where a TIN number is missing or when that number ends with nine A or nine 0, or a systematical identifiable model such as 123456789, 987654321, 222222222, which shows invalidity.

The Notice of Error will give rise to a 120 day period for rectifying the issue. In accordance with the Inter-Governmental Agreement (IGA) and the Competent Authority Agreement (CAA), when applicable, if the TIN number is not provided within the 120-day period, the USA will assess data received, and by reviewing facts and circumstances will determine if non-compliance is significant. Furthermore, IRS shall take into consideration facts and circumstances leading to a missing TIN number, such as reasons why a TIN number cannot be obtained and efforts made by the Financial Institution to obtain the number. If USA determines that a Financial Institution is in substantial non-compliance, the USA will notify the exchange partner and will work with the partner to further consider facts and circumstance, for the upcoming 18 month period, to address the non-compliance. The Financial Institution should have at least 18 months from the date of notification on the non-compliance to correct the error of the missing TIN number before IRS takes any further actions such as removal of the Financial Institution's Global Intermediary Identification Number – GIIN from the IRS's Foreign Financial Institution List. A Foreign Financial Institution that has not had a Global Intermediary Identification Number – GIIN for a while runs the risk of being subjected to a withhold tax in payments that have a source in USA and are payable to the Financial Institution.