



TaxNewsFlash

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United States: FAQ guidance for branches to qualify for QDD status

The IRS announced that a new “frequently asked question” (FAQ) was added to a list of FAQs about FATCA compliance. The new FAQ provides guidance for qualifying intermediaries (Qis) with branches that would like to apply for qualified derivatives dealer (QDD) status.

Section 1.01 of Rev. Proc. 2017-15 addresses the treatment of any home office...or branch (whether or not a disregarded entity) that wants to be a QDD (each home office or branch, a prospective QDD). Each prospective QDD must separately qualify, apply, and be approved for QDD status, including meeting the eligible entity requirements as if it were a separate entity. If a prospective QI has a branch that is a prospective QDD, the branch may apply for QDD status even if the prospective QI (apart from such branch) is not an eligible entity. A home office can apply for QDD status as part of the standard QI application.

New Q10 (dated 14 February 2017) lists the steps that a branch must take in order to apply for QDD status.

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