

KPMG AEOI Updates & Tracking Service FATCA Alert

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Alert Type:	Announcement
Country:	The British Virgin Islands
Regime:	FATCA

BVI: Issued FATCA Tax Identification Number (TIN) Update

On 21 February 2022, the International Tax Authority (ITA) of the British Virgin Islands (BVI) issued updates related to TINs for the FATCA regime.

The ITA issued a reminder to all Financial Institutions (FIs) that TIN information is mandatory when submitting FATCA returns, beginning with the 2020 reporting period. If an FI submitted a return without a TIN, but used the acceptable sequential codes provided by the IRS, an error notification will be generated to indicate the entry is invalid. The filing will be accepted by the IRS, but the FI is required to make a correction within 120 days of receiving the error notification. If the error is not corrected within 120 days, and the FI is contacted by the IRS, the FI must be prepared to provide significant evidence that establishes the fact that the FI tried to obtain the TIN but was unsuccessful.

The ITA also informed FIs that the BVI Financial Account Reporting System (BVI FARS) Portal has been updated to include an "ISSUED BY" option for account holders that were not assigned a TIN where the account has a substantial US owner. The below steps should be followed when under such circumstances:

- The FI must include the TIN element for both the account holder and the substantial owner. If both are US individual/entities, the FI should include a US TIN for both. If one of them is a US individual/entity and the other is foreign, the FI will not receive an error notification if it provides a valid US and a foreign TIN for the respective accounts in the TIN element place. If a foreign TIN is not available, the FI may provide the foreign individual/entity's country code in the "TIN Issued by" element along with the characters "NA" to indicate "Not Available" in its TIN element.
- If the FI omits the TIN element for either the account holder or the substantial owner, or inserts blank spaces, the FI will receive a "TIN not populated" error, regardless of whether the other TIN elements are populated with a US TIN or not.

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<p>On 24 February 2022, the ITA notified taxpayers that the BVIFARs portal has been updated for the "ISSUED BY" option for cases where a TIN is not available. FIs with FATCA reporting obligations can now access the portal and report accounts for an account holder that was not assigned a TIN, but has a substantial US owner, using the steps mentioned above for the "ISSUED BY" option.</p>	
<p>Reference: Notice (21 February 2022) and Notice (24 February 2022)</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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