

TaxNewsFlash

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Rev. Proc. 2022-35: Updated list of countries, deposit interest paid to nonresident aliens (Turkey)

The IRS today released an advance version of [Rev. Proc. 2022-35](#) [PDF 144 KB] that updates prior IRS guidance and adds a new country—**Turkey**—to the current published list of countries with which the Treasury Department and the IRS have determined it is appropriate to have an automatic exchange relationship with respect to the information collected under Treas. Reg. §§1.6049-4(b)(5) and 1.6049-8(a) relating to payments of deposit interest of \$10 or more made by U.S. financial institutions to nonresident alien individuals. This is referred to as the list of countries under Section 3 of Rev. Proc. 2022-35.

Background

Previously, the reporting of U.S. deposit interest was only required on interest paid to U.S. persons or to nonresident alien individuals who were residents of Canada.

The Treasury Department and IRS in April 2012 finalized regulations providing that U.S. deposit interest payments made to nonresident alien individuals must be reported annually to the IRS—if such interest is paid to a nonresident alien individual who is a resident of a country with which the United States has in effect an information exchange agreement, and under which the United States agrees to provide (and to receive) information and under which the competent authority is the Treasury Secretary or delegate. The 2012 regulations also stated that the IRS would issue a revenue procedure identifying those countries with which the United States has in force information exchange agreements, and that this revenue procedure would be updated “as appropriate.” The first revenue procedure was Rev. Proc. 2012-24, issued in April 2012.

The IRS then in 2014 issued [Rev. Proc. 2014-64](#) [PDF 20 KB] that provided two lists:

- The list of countries under Section 3 of Rev. Proc. 2014-64 concerns those countries with which the United States has in effect an income tax or other agreement relating to the exchange of tax information (as defined pursuant to section 6103(k)(4)) and with which the United States agrees to provide as well as receive information under which the competent authority is the Treasury Secretary or delegate.
- A second list of countries under Section 4 of Rev. Proc. 2014-64 concerns those countries with which Treasury and the IRS determined that automatic exchange of deposit interest information is appropriate.

Since 2014, the IRS has periodically issued guidance that updates and adds countries to one or both of the lists of countries. Before today, the most recent release was September 2021—read [TaxNewsFlash](#).

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