

KPMG AEOI Updates & Tracking Service FATCA Alert

Date:	21 March 2023
Alert Type:	Document
Country:	Isle of Man
Regime:	FATCA
Document Type:	Other Guidance

Isle of Man: Updated FATCA TIN Codes

On 08 March 2023, Isle of Man's Income Tax Division issued Industry Advisory Notice providing updates regarding the reporting of US Tax Identification Number (TIN) codes for FATCA purposes. The update follows the issuance of Internal Revenue Service (IRS) Notice 2023-11, [here](#), which provides temporary relief to Model 1 Foreign Financial Institutions (FFIs) unable to report a valid US TIN for certain pre-existing accounts. This update was instituted to better understand the issues faced by the FFIs while attempting to obtain a valid TIN for pre-existing accounts.

The updated TIN codes to be used by FFIs to populate the TIN field in the XML FATCA report are below:

- 22222222, for pre-existing individual accounts where the only US indicia is a US place of birth, other than accounts reported under code 000222111. This code will take precedence if any other code (other than 000222111) is also applicable.
- 000222111, for pre-existing depository individual accounts where the only US indicia is a US place of birth. FFIs should determine whether the account holder is a resident of the respective jurisdiction where the account is maintained for Anti-Money Laundering (AML) and tax purposes. The term "depository account" holds the same meaning as defined in the applicable Model 1 Intergovernmental Agreement (Model 1 IGA). This code will take precedence if any other code is also applicable. This code should only be used by Isle of Man Banks with respect to US account holders residing in the Island for AML and income tax purposes.

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- 333333333, for new individual accounts with indicia indicating a US place of birth, and either:
 - has had a change in circumstances to cause the self-certification obtained originally at account opening to be incorrect or unreliable, and a new self-certification has not been obtained, or,
 - was below the threshold for documenting and reporting the account at the time of account opening, and subsequently exceeded the threshold, and a self-certification has not been obtained.
- 444444444, for pre-existing individual and entity account that has US indicia other than a US place of birth, and either:
 - has had a change in circumstances that either results in one or more US indicia associated with the account, or causes the self-certification or other documentation obtained originally to be incorrect or unreliable, and a new valid self-certification or other documentation has not been obtained subsequent to the changes in the circumstances, or;
 - was below the threshold for documenting and reporting the account on the determination date provided in the applicable Model 1 IGA, and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 555555555, for new individual or entity account with US indicia other than a US place of birth and either:
 - has had a change in circumstances to cause the self-certification or other documentation obtained originally to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained, or;
 - was below the threshold for documenting and reporting the account at the time of account opening, and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 666666666, for pre-existing entity accounts held by passive Non-Financial Foreign Entities (NFFEs) with respect to which no self-certifications have been obtained nor a US indicia has been identified in relation to its controlling persons.
- 777777777, for pre-existing accounts with no US TIN available and the account has been dormant or inactive but

remains above the threshold limit for documenting and reporting. An account is deemed to be dormant if it meets the definition provided in the US Treasury Regulations. However, if the account can be classified into multiple TIN codes, then the other codes will take precedence.

- 999999999, for any other account where the FFIs could not obtain a valid TIN and none of the other codes are applicable. The use of this code indicates that the FFI has completed a review of accounts without US TINs and has in good faith applied TIN codes to the records when applicable.

The use of these codes is mandatory for an FFI to not be considered significantly non-compliant due to the inability to report a US TIN. However, an FFI can still be considered non-compliant for any failure(s) within the requirements of the Intergovernmental Agreement (IGA).

Reporting for calendar year 2022 (due for submission in June 2023) will be considered as a transition year. FFIs may use either the TIN codes issued by the IRS in May 2021 or the 2023 updated codes to be eligible for the relief. However, for reporting calendar years 2023 and 2024, FFIs should use the updated TIN codes and obtain and report the date of birth of each individual account holder or controlling person of a reportable account that is missing a US TIN.

Isle of Man FIs that are unable to use the updated codes for reporting of 2022 data, or that have accounts to report without a valid US TIN that do not fall in any of the categories listed above, should use the default code of nine A's (AAAAAAAAA) for reporting. However, the Isle of Man Competent Authority will be notified regarding such an error with respect to each account holder with a missing TIN in September 2023, following which the relevant Isle of Man FIs may be required to submit an explanation and correction of data thereafter, if deemed necessary.

The Information Provider's Online Service, where all FATCA reports are submitted in a prescribed XML format, will be updated by 31 March 2023 for the acceptance of the new codes for reporting on calendar years 2022 and onwards.

Additionally, beginning calendar year 2023, with respect to each accounts with a missing US TIN, the FIs must annually:

- search the electronic data maintained for any missing TIN;
- request for a US TIN from each account holder whose US TIN is missing;
- such request should be made including either:
 - the web address of the State Department's Joint FATCA Frequently Asked Questions (FAQs), [here](#), or,

- a copy of the FAQs described above and either:
 - a copy of the relief procedures published by the IRS for certain former citizens or the web address for such procedures, [here](#).

Additionally, Isle of Man FIs should document and retain the policies and procedures applied for the fulfillment of the conditions described above, as well as documentation proving adherence to the policies and procedures, until the end of calendar year 2028.

Reference: [Industry Advisory Notice](#) [PDF 188KB]

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

For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

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

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