

KPMG AEOI Updates & Tracking Service FATCA Alert

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India: Issued a Circular for FATCA TIN Code Update

On 04 May 2023, the Central Board of Direct Taxes (CBDT) issued a circular clarifying the applicability of Frequently Asked Questions (FAQ) 6 and 3 issued by the IRS for FATCA reportable accounts. The FAQs has been updated in accordance with Notice 2023-11, [here](#), issued by the IRS with respect to US reportable accounts under the FATCA Intergovernmental Agreement (IGA) between the United States and other Model 1 jurisdictions.

The update is as follows:

- FAQ 6 (reporting): Per Notice 2023-11 published by the IRS, Model 1 Foreign Financial Institutions (FFIs) that are unable to obtain US TINs for pre-existing accounts are eligible for reporting relief provided certain procedures are followed. Reporting for calendar year 2022 (due by 30 September 2023) will be considered to be a transition year. FFIs can use either the TIN codes issued by the IRS in May 2021 or the 2023 updated codes as provided below. For reporting calendar years 2023 (due by 30 September 2024) and 2024 (due by 30 September 2025), Model 1 FFIs should use the updated TIN codes explaining the inability to report a US TIN. The use of the updated codes will allow the IRS to better understand the reason behind the missing US TINs. The updated codes are provided 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. Additionally, 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

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Model 1 Intergovernmental Agreement (Model 1 IGA). This code will take precedence if any other code is also applicable.

- 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 at the time of account opening, for documenting and reporting the account 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 to cause 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, or;
 - was below the threshold for documenting and reporting the account and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 555555555, for a 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 at the time of account opening, for documenting and reporting the account 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 one or more controlling persons 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



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meets the definition provided in the US Treasury Regulations and had no financial activity in the last 3 years, except for the posting of interest. 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 IRS system will still generate an error notification to indicate that the entry is invalid when one of the above codes is used. For the purposes of such error, a rectification period of 120 days will be provided. If the TIN is still missing following the rectification period, the IRS will evaluate the data received and determine whether significant non-compliance has occurred, taking into consideration the circumstances in each case and the effort made by the FI.

FIs must ensure that a US TIN is reported for all US reportable accounts and, in cases where the US TIN is not obtained, the specified series of codes should be used as mentioned in FAQ 6. It should be noted that in all such cases, the IRS system will still generate an error notification to indicate the entry is invalid when one of these codes is used. Additionally, FIs are requested to revise the reports submitted in Form 61B for US reportable accounts pertaining to the 2022 calendar year, if applicable, per the points mentioned above.

Reference: [Circular](#) (PDF 168KB)

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