

KPMG REG FATCA Alert

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Alert Type:	Announcement	
Country:	Luxembourg	
Regime:	FATCA	

Luxembourg: Guidance on unauthorized characters and update of reporting rules for TINs

On 12 June 2018, the Luxembourg Tax Authority (ACD) announced that the IRS guidance on unauthorized characters for DocRefIds element must not to be taken into consideration by Luxembourg FIs as part of their reporting obligations. The DocRefIds must always contain the "underscore" character, as defined in the circular ECHA3 in the chapter "RefIds Naming Convention", otherwise the file will be rejected.

In addition, the Luxembourg Tax Authority announced that where a Tax Identification Number (TIN) could not be obtained after applying due diligence rules under FATCA, the ACD will only accept 9 capital letters "A" or the code "#NTA001#" for the <TIN> field. Therefore, it will no longer be possible to load the <TIN> field with 9 zeros.

The ACD also confirmed the application of the provisions of IRS Notice 2017-46 regarding missing TINs. The IRS Notice contains the relaxed guidelines pertaining to reporting of the US TINs by FIs with regard to preexisting accounts that are U.S. reportable accounts for calendar years 2017, 2018 and 2019.

According to the Notice, the Competent Authority of the US will not determine significant non-compliance solely because of a failure of an FI to obtain and report a US TIN, provided that the FI:

- Obtains and reports the date of birth of each account holder and controlling person whose US TIN is not reported;
- Requests annually from each account holder any missing required US TIN; and
- Searches electronically searchable data for any missing required US TINs prior to reporting information for the calendar year 2017.

Luxembourg Contacts:



Gerard Laures
Partner
gerard.laures@kpmg.lu

Additional Contacts:



Jean Kizito
Senior Manager
jean.kizito@kpmg.lu



Jessica Seiler
Manager
jessica.seiler@kpmg.lu

If such conditions are not satisfied, the Competent Authority of the US could determine that the FI failed to satisfy its FATCA obligations (significant non-compliance).	
<p>Reference: Newsletter (French)</p> <p>For information on KPMG's global AEOI network professionals, please email KPMGREGqueries@kpmg.com.</p>	

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