

# What's New

## News Flash



January 2018

### ***FATCA update: Relaxation to reporting financial institutions from obtaining US TIN Number for pre-existing accounts***

In 2015, the Indian revenue authorities amended the Income-tax Rules, 1962 to legislate a framework for the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) reporting in India and mandated Reporting Financial Institutions (RFIs) for maintaining and reporting information on reportable accounts.

Under the FATCA, a RFI is required to report the US Tax Identification Number (TIN) for all pre-existing accounts (as on 30 June, 2014). The US Internal Revenue Service (IRS) had issued guidelines through Notice 2017-46<sup>1</sup> on 25 September, 2017 relaxing FFI's with respect to reporting of US TIN for calendar years 2017, 2018 and 2019.

The Central Board of Direct Taxes issued a press release<sup>2</sup> on 15 January, 2018 advising RFIs to insert nine capital letters, e.g., (i.e. AAAAAAAAAA) in the TIN field (for the Account Holder or Controlling Person, as the case may be) in their reports in Form 61B for the year 2017 onwards, in respect of pre-existing accounts, where US TIN has not been obtained subject to satisfaction of the following conditions:

- The RFI obtains and reports the date of birth of each account holder and controlling person whose US TIN is not reported;
- The RFI requests annually from each account holder for any missing required US TIN; and
- The RFI searches electronically searchable data maintained for any missing required TIN prior to reporting information relating to calendar year 2017 to the partner jurisdiction.

### ***PwC Comments***

While the current relaxation provides clarity for reporting in the upcoming calendar year 2017, RFIs should focus on strengthening their reporting solutions to comply with the conditions specified. Based on the data to be reported for 2017, the regulators (RBI/ SEBI/ IRDA) may look upon these aspects as a potential area of review to test the robustness of the documentation maintained by RFIs.

If you are interested in a customised technology solution for FATCA CRS reporting, which is dynamic to changing regulations, please reach out to [aravind.srivatsan@pwc.com](mailto:aravind.srivatsan@pwc.com) and to know about the solutions please click here – ***PwC's Customer & Investor Tax Transparency (CITT) Compare Tool and PwC's AEOI Reporting Solution.***

<sup>1</sup> <https://www.irs.gov/pub/irs-drop/n-17-46.pdf>

<sup>2</sup> <http://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/685/Press-Release-Reporting-US-TINs-pre-existing-accounts-Financial-Institutions-15-1-2018.pdf>

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With Best Regards  
PwC TRS Team

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