Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do not rely on draft instructions and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early releases of draft forms and instructions are at IRS.gov/draftforms. Please note that drafts may remain on IRS.gov even after the final release is posted at IRS.gov/downloadforms, and thus may not be removed until there is a new draft for the subsequent revision. All information about all revisions of all forms, instructions, and publications is at IRS.gov/formspubs.

Almost every form and publication also has its own easily accessible information page on IRS.gov. For example, the Form 1040 page is at IRS.gov/form1040; the Form W-2 page is at IRS.gov/w2; the Publication 17 page is at IRS.gov/pub17; the Form W-4 page is at IRS.gov/w4; the Form 8863 page is at IRS.gov/form8863; and the Schedule A (Form 1040) page is at IRS.gov/schedulea. If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications on the Comment on Tax Forms and Publications page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

2016

Instructions for Form 8966

Department of the Treasury
Internal Revenue Service

FATCA Report

DRAFT AS OF October 12, 2016

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8966 or its instructions such as legislation enacted after they were published, go to *www.irs.gov/form8966*.

General Instructions

What's New

Filer category codes. Beginning with calendar year 2016, all filers must enter a filer category code in Part I, line 1b. For calendar year 2015, this line was optional for filers other than a Direct Reporting NFFE and a Sponsoring Entity filing on behalf of a Sponsored Direct Reporting NFFE.

Accounts closed during the year. Beginning with calendar year 2016, the checkbox in Part IV, line 3b, is mandatory for filers that are FFIs that are required to report an account that was closed during the year. In addition, the instructions for Part IV, line 3b, are revised to clarify the reporting of an account when the account holder rolls over the amount into another account (of the same or different type).

Summary of Chapter 4 and Related Matters

Under chapter 4 of the Internal Revenue Code (Code) (sections 1471-1474 and Treasury Regulations (Regulations) under those sections, commonly referred to as the Foreign Account Tax Compliance Act or FATCA), a withholding agent is generally required to deduct and withhold tax equal to 30% of a withholdable payment made to a foreign financial institution (FFI) unless the FFI has entered into an FFI agreement with the IRS to be treated as a participating FFI (PFFI). Pursuant to the FFI agreement, a PFFI agrees to satisfy, among other things, certain reporting obligations for each calendar year concerning its U.S. accounts, accounts held by owner-documented FFIs (ODFFI), and certain aggregate information concerning accounts held by recalcitrant account holders and, for a transitional period, certain payments made to accounts held by nonparticipating FFIs. An FFI may also be excepted from chapter 4 withholding if it is deemed to comply with the provisions of section 1471(b) under Regulations section 1.1471-5(f) or is otherwise exempt from withholding if it is an exempt beneficial owner for chapter 4 purposes under Regulations section 1.1471-6. Chapter 4 also requires a withholding agent to deduct and withhold tax equal to 30% of a withholdable payment made to a passive non-financial foreign entity (NFFE) unless the passive NFFE certifies to the withholding agent that it does not have any substantial U.S. owners or provides certain identifying information with respect to its substantial U.S. owners. A withholding agent is also required to report information about substantial U.S. owners of a passive NFFE and specified U.S. persons holding certain equity or debt interests in a payee that the withholding agent has agreed to treat as an ODFFI.

To facilitate FATCA implementation for FFIs operating in jurisdictions with laws that would prevent the FFIs from complying with the terms of the FFI agreement, the Treasury Department developed two alternative model intergovernmental agreements (IGAs) (Model 1 IGA and Model 2 IGA) that would allow FFIs operating in such jurisdictions to perform due diligence and reporting on their account holders to achieve the objectives of FATCA. FFIs reporting under a Model 1 IGA (Reporting Model 1 FFIs) report certain information about their U.S. reportable accounts and certain payees as required under the applicable IGA to their respective tax authorities. Reporting Model 1 FFIs do not file Form 8966 directly to the IRS. FFIs reporting under a Model 2 IGA (Reporting Model 2 FFIs) report directly to the IRS on Form 8966 certain information about their U.S. accounts, and certain aggregate information concerning account holders who do not waive legal restrictions for the FFI to report this information (non-consenting U.S. accounts), and, for a transitional period, certain payments made to accounts held by nonparticipating FFIs as required under the applicable IGA and the Regulations. Trustee-Documented Trusts subject to a Model 2 IGA are reported by the trustee of the Trustee-Documented Trust.

Purpose of Form

Form 8966 is required to be filed by filers listed under "Who Must File," later, to report information with respect to certain U.S. accounts, substantial U.S. owners of passive NFFEs, specified U.S. persons that own certain debt or equity interests in ODFFIs, and certain other accounts as applicable based on the filer's chapter 4 status. For calendar year 2016, Form 8966 is also filed by PFFIs, registered deemed-compliant (RDC) FFIs required to report as PFFIs, and Reporting Model 2 FFIs to report certain amounts paid to their account holders that are nonparticipating FFIs. Unless otherwise indicated, Reporting Model 2 FFIs should submit Form 8966 to report on its accounts consistent with instructions for PFFIs.

Note. A separate Form 8966 must be filed for each substantial U.S. owner of a passive NFFE and each specified U.S. person owning certain equity or debt interests in an ODFFI, and for each group of accounts of an FFI for which pooled reporting is permitted as described in *Part V.*

Who Must File

Except as otherwise provided in these instructions, you are required to file Form 8966 if you are one of the following persons.

- **PFFI.** A PFFI must file Form 8966 to report information with respect to U.S. accounts, accounts held by ODFFIs, accounts held by recalcitrant account holders (based on the pools described in *Part V*), and accounts held by nonparticipating FFIs (individually or in a pool, if permitted).
- **U.S. Branch of a PFFI not treated as a U.S. person.** A U.S. branch of a PFFI that is not treated as a U.S. person is subject to the same Form 8966 reporting requirements as a PFFI. See Regulations section 1.1471-4(d)(2)(iii)(C).
- **RDC FFI.** An RDC FFI must file Form 8966 to report a U.S. account for which it has reporting obligations as a condition of its applicable RDC FFI status. See Regulations section 1.1471-5(f)(1)(i) or an applicable Model 2 IGA.
- **Limited Branch or Limited FFI (Including a Related Entity or Branch Described in an Applicable Model 1 or Model 2 IGA).** A limited branch or limited FFI must file Form 8966 to report a U.S account to the extent permitted under the relevant laws pertaining to the branch or FFI. See Regulations sections 1.1471-4(e)(2)(iv)(B) and (e)(3)(iii)(B).
- **Reporting Model 2 FFI.** A Reporting Model 2 FFI must file Form 8966 to report information with respect to U.S. accounts, accounts held by ODFFIs, non-consenting U.S. accounts (based on the pools described in Part V), and accounts held by nonparticipating FFIs (individually or in a pool, if permitted).
- **Qualified Intermediary (QI), Withholding Foreign Partnership (WP), or Withholding Foreign Trust (WT).** A QI, WP, or WT must file Form 8966 to report on its accounts, partners, beneficiaries, or owners, as applicable and as provided in its QI, WP, or WT agreement.
- **Direct Reporting NFFE.** A Direct Reporting NFFE must file Form 8966 to report its substantial U.S. owners or report that it has none. See Regulations section 1.1472-1(c)(3).
- **Sponsoring Entity.** A Sponsoring Entity must file Form 8966 to report an account of an FFI or a substantial U.S. owner of a passive NFFE that it has agreed to treat as a Sponsored FFI or a Sponsored Direct Reporting NFFE. See Regulations section 1.1471-4(d)(2)(ii)(C) regarding the reporting required of a Sponsoring Entity acting on behalf of a Sponsored FFI. See Regulations section 1.1472-1(c)(5) regarding the reporting required of a Sponsoring Entity acting on behalf of a Sponsored Direct Reporting NFFE.

TIP *Sponsored FFIs and Sponsored Direct Reporting NFFEs do not need to file Form 8966 if a Sponsoring Entity is reporting on its behalf.*

- **Trustee-Documented Trust.** A trustee of a Trustee-Documented Trust reports on Form 8966 all information required to be reported under an applicable IGA with respect to each U.S. account maintained by the Trustee-Documented Trust.

Special Rules for Certain Form 8966 Filers

- **Withholding agents.** A withholding agent that is not an FFI and that makes a withholdable payment to a passive NFFE with a substantial U.S. owner (either directly or indirectly through a flow-through entity that is also a passive NFFE) if the first-mentioned NFFE is the beneficial owner of the payment, or an ODFFI with a specified U.S. person owning certain equity or debt interests in the ODFFI must report such substantial U.S. owners or specified U.S. persons on Form 8966.

A U.S. payor (other than a U.S. branch) that is a PFFI (including a Reporting Model 2 FFI) is not required to file Form 8966 to report an account if it reports payments to the account holder on Form 1099 to the extent specified in Regulations section 1.1471-4(d)(2)(iii)(A). With respect to an account held by a passive NFFE with a substantial U.S. owner or an account held by an FFI that the PFFI (including a Reporting Model 2 FFI) has agreed to treat as an ODFFI, the PFFI (including a Reporting Model 2 FFI) that elects reporting on Form 1099 must still file Form 8966 to report such accounts.

CAUTION *A withholding agent that is a U.S. payor reporting payments to U.S. non-exempt recipients must report these payments on the appropriate Form 1099 to the extent required under chapter 61. Do not file Form 8966 to report these payments.*

CAUTION *An FFI other than a PFFI, Reporting Model 2 FFI, or RDC FFI that is not required to file Form 8966 may still be required to report a payment under chapter 61.*

TIP *Form 8966 is not used to report any tax withheld under chapter 4 to the IRS. A withholding agent may, in addition to Form 8966, also have to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, and Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, to report any tax withheld under chapter 4. For further information, see Forms 1042, 1042-S, and their accompanying instructions.*

- **PFFI (including a Reporting Model 2 FFI) or RDC FFI electing chapter 61 reporting.** A PFFI (including a Reporting Model 2 FFI) or RDC FFI that elects to perform chapter 61 reporting to satisfy its chapter 4 reporting requirements for certain accounts is not required to report on Form 8966 with respect to such an account that is held by a specified U.S. person. Instead, the PFFI (including a Reporting Model 2 FFI) or RDC FFI shall report such account on Form 1099. See Regulations section 1.1471-4(d)(5). With respect to an account held by a passive NFFE with a substantial U.S. owner or an account held by an FFI that the PFFI (including a Reporting Model 2 FFI) or RDC FFI has agreed to treat as an ODFFI, the PFFI (including a Reporting Model 2 FFI) or RDC FFI that elects reporting under chapter 61 must still file Form 8966 to report such accounts.
- **U.S. branch of a PFFI (including a Reporting Model 2 FFI) or RDC FFI (including a Reporting Model 1 FFI) that is treated as a U.S. person.** A U.S. branch of a PFFI (including a Reporting Model 2 FFI) or RDC FFI (including a Reporting Model 1 FFI) that is treated as a

DRAFT AS OF October 19, 2016

U.S. person must file Form 8966 in the same manner as a withholding agent (see earlier). See Regulations sections 1.1471-1(b)(135) and 1.1471-4(d)(2)(iii)(B).

• **U.S. branch of an RDC FFI or Limited FFI that is not treated as a U.S person.** A U.S. branch of an RDC FFI or Limited FFI that is not treated as a U.S. person reports on Form 8966 in the same manner as a withholding agent (see earlier) with respect to accounts that the U.S. branch is required to treat as U.S. accounts or accounts held by ODFFIs. See Regulations section 1.1471-4(d)(2)(iii)(C).

• **Territory Financial Institution that is treated as a U.S. person.** A Territory Financial Institution that is a flow-through entity or that acts as an intermediary with respect to a withholdable payment and that agrees to be treated as a U.S. person must file Form 8966 in the same manner as a withholding agent (see earlier). See Regulations sections 1.1471-1(b)(131) and 1.1471-2(a)(2)(iv).

DRAFT AS OF October 12, 2016

When, How, and Where to File

When to file. Form 8966 is required to be filed for the 2016 calendar year on or before March 31, 2017. A Reporting Model 2 FFI must file Form 8966 on the same filing dates that apply to a PFFI, unless a different reporting date is specified in an applicable Model 2 IGA.

Extension of time to file. An automatic 90-day extension of time to file Form 8966 may be requested. To request an automatic 90-day extension of time to file Forms 8966, file Form 8809-I. See the Instructions for Form 8809-I for where to file that form. You should request an extension as soon as you are aware that an extension is necessary, but no later than the due date for filing Forms 8966. No extension of time to file is permitted for Forms 8966 filed by a Reporting Model 2 FFI to report a non-consenting U.S. account or a non-consenting nonparticipating FFI. A Reporting Model 2 FFI should refer to the applicable Model 2 IGA for the due dates for those filings.

Under certain hardship conditions, the IRS may grant an additional 90-day extension to file Form 8966. See Regulations section 1.1471-4(d)(3)(vii). To request an additional 90-day extension of time to file Form 8966, file a second Form 8809-I before the end of the initial extended due date. See the instructions to Form 8809-I for more information on the requirements for requesting an additional extension for filing Form 8966.

Electronic filing requirement. An entity that is a financial institution is required to file Form 8966 electronically, irrespective of the number of Forms 8966 filed. All other entities that file 250 or more Forms 8966 for the calendar year are required to electronically file Forms 8966. To request a waiver from the required filing of Forms 8966 electronically, submit Form 8508-I. Waiver requests should be filed at least 45 days before the due date of the returns. See the instructions to Form 8508-I for where to file and additional information.

How to file electronically. Those filing electronically should refer to Pub. 5124, Foreign Account Tax Compliance Act (FATCA) XML v2.0 User Guide, for instructions on how to populate the fields for the electronic Form 8966. These instructions can generally be used to supplement Pub. 5124. Information on how to submit the Form 8966 electronically to the IRS is provided in Pub. 5190, International Data Exchange Services User Guide, and Pub. 5188, FATCA Metadata XML Schema v1.1 User Guide.

If you are required to file electronically but fail to do so, and you do not have an approved waiver on record, penalties under sections 6721 through 6724 may apply.

Where to file paper Form 8966. If you have received a waiver of the Form 8966 electronic filing requirement from the IRS or are not otherwise required to file Form 8966 electronically, you may send all paper Forms 8966, along with Form 8966-C, Cover Sheet for Form 8966 Paper Submissions, to the following address.

Internal Revenue Service
FATCA, Stop 6052 AUSC
3651 South IH 35
Austin, Texas 78741

More information and updates to Form 8966. For information about FATCA, including updates to Form 8966 and its instructions, as well as answers to Frequently Asked Questions, go to *www.irs.gov/fatca*.

Definitions

For detailed information about definitions that apply for purposes of FATCA generally, see Regulations section 1.1471-1(b). A Reporting Model 1 FFI or Reporting Model 2 FFI should also refer to definitions that may apply under an applicable IGA or apply pursuant to any applicable domestic law pertaining to its FATCA obligations. Solely for purposes of filing this Form 8966, the following definitions are provided to help guide filers through the process.

Account/financial account. An account or financial account means a financial account described in Regulations section 1.1471-5(b).

Account holder. An account holder is the person who holds a financial account, as determined under Regulations section 1.1471-5(a)(3).

Account maintained by a PFFI or Reporting Model 2 FFI. An account maintained by a PFFI or Reporting Model 2 FFI means an account that a PFFI or Reporting Model 2 FFI is treated as maintaining under Regulations section 1.1471-5(b)(5).

Branch. A branch means a unit, business, or office of an FFI that is treated as a branch under the regulatory regime of a country or that is otherwise regulated under the laws of a country as separate from other offices, units, or branches of the FFI, and includes a disregarded entity of an FFI. A branch includes units, businesses, and offices of an FFI located in the country (or jurisdiction) in which the FFI is a resident as well as units, businesses, and offices of an FFI located in the country in which the FFI is created or organized. All units, businesses, or offices of a PFFI located in a single country (or jurisdiction), including all disregarded entities located in such single country (or jurisdiction), must be treated as a single branch.

Branch that maintains an account. A branch, including a disregarded entity, maintains an account if the rights and obligations of the account holder and the FFI with regard to such account (including any assets held in the account) are governed by the laws of the country of the branch or disregarded entity.

Direct Reporting NFFE. A Direct Reporting NFFE is an NFFE that has elected to report its substantial U.S. owners to the IRS pursuant to Regulations section 1.1472-1(c)(3).

Deemed-compliant FFI. A deemed-compliant FFI means an FFI that is treated, pursuant to section 1471(b)(2) and Regulations section 1.1471-5(f), as meeting the requirements of section 1471(b).

Excepted NFFEs. Excepted NFFEs include NFFEs that are QIs, WPs, and WTs, certain publicly traded corporations (including certain affiliates of such corporations), certain territory entities, active NFFEs, excepted nonfinancial entities, Direct Reporting NFFEs, and Sponsored Direct Reporting NFFEs as described in Regulations section 1.1472-1(c)(1).

Exempt beneficial owner. An exempt beneficial owner is any person described in Regulations section 1.1471-6(b) through (g) and includes any person treated as an exempt beneficial owner under an applicable Model 1 IGA or Model 2 IGA.

Financial institution (FI). A financial institution is any institution that is a depository institution, custodial institution, investment entity, insurance company (or holding company of an insurance company) that issues cash value insurance or annuity contracts, or a holding company or treasury center that is part of an expanded affiliated group of certain FFIs, and includes a financial institution as defined under an applicable Model 1 IGA or Model 2 IGA. See Regulations section 1.1471-5(e)(1).

Foreign financial institution (FFI). Except as otherwise provided for certain foreign branches of a U.S. financial institution or Territory Financial Institution, a foreign financial institution means a financial institution that is a foreign entity. The term foreign financial institution also includes a foreign branch of a U.S. financial institution with a QI Agreement in effect.

Foreign reportable amount. The term "foreign reportable amount" means the aggregate amount of foreign source payments described in Regulations section 1.1471-4(d)(4)(iv).

Global intermediary identification number (GIIN). A global intermediary identification number or GIIN means a number assigned to a PFFI, Reporting Model 1 FFI, Reporting Model 2 FFI, RDC FFI, and certain other registering entities (e.g., a Direct Reporting NFFE). A separate GIIN will be issued to the FFI to identify, among other things, each jurisdiction where the FFI maintains a branch not treated as a limited branch. A Direct Reporting NFFE will be issued only one GIIN, irrespective of where it maintains branches.

Limited branch. In the case of a PFFI, a limited branch means a branch described in Regulations section 1.1471-4(e)(2)(iii). With respect to a Reporting Model 2 FFI, a limited branch is a branch of the Reporting Model 2 FFI that operates in a jurisdiction that prevents such branch from fulfilling the requirements of a PFFI or deemed-compliant FFI and that is treated as a nonparticipating FFI.

Limited FFI. A limited FFI means an FFI described in Regulations section 1.1471-4(e)(3)(ii). With respect to a Reporting Model 2 FFI, a limited FFI is a related entity that operates in a jurisdiction that prevents the entity from fulfilling the requirements of a PFFI or deemed-compliant FFI and that is treated as a nonparticipating FFI.

Model 1 IGA. A Model 1 IGA means an agreement between the United States or the Treasury Department and a foreign government or one or more foreign agencies to implement FATCA through reporting by financial institutions to such foreign government or agency thereof, followed by automatic exchange of the reported information with the IRS. For a list of jurisdictions treated as having an IGA in effect, see *www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx*.

Model 2 IGA. A Model 2 IGA means an agreement or arrangement between the United States or the Treasury Department and a foreign government or one or more foreign agencies to implement FATCA through reporting by financial institutions directly to the IRS in accordance with the requirements of the FFI agreement, as modified by an applicable Model 2 IGA, supplemented by the exchange of information between such foreign government or agency thereof and the IRS. For a list of jurisdictions treated as having an IGA in effect, see *www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx*.

Non-consenting U.S. account. For purposes of a Reporting Model 2 FFI, a non-consenting U.S. account shall have the meaning that it has under an applicable Model 2 IGA. For purposes of this form, a non-consenting U.S. account is treated like a recalcitrant account holder.

Non-financial foreign entity (NFFE). A non-financial foreign entity (NFFE) is a foreign entity that is not a financial institution. An NFFE includes a territory NFFE as defined in Regulations section 1.1471-1(b)(132) and a foreign entity treated as an NFFE pursuant to a Model 1 IGA or Model 2 IGA.

Nonparticipating FFI. A nonparticipating FFI is an FFI other than a PFFI, a deemed-compliant FFI, or an exempt beneficial owner.

Nonreporting FI. A nonreporting FI means an entity that is resident in or established in a jurisdiction that has in effect a Model 1 IGA or Model 2 IGA and that is treated as a nonreporting FI in Annex II of the applicable Model 1 IGA or Model 2 IGA or that is otherwise treated as a deemed-compliant FFI or an exempt beneficial owner under Regulations sections 1.1471-5 or 1.1471-6.

Owner-documented FFI (ODFFI). An ODFFI is an FFI described in Regulations section 1.1471-5(f)(3).

Participating FFI (PFFI). A PFFI is an FFI, or branch of an FFI, that has in effect an FFI agreement with the IRS, and includes a Reporting Model 2 FFI.

DRAFT AS OF October 12, 2016

Passive NFFE. A passive NFFE is an NFFE that is not an excepted NFFE. With respect to a Reporting Model 2 FFI filing this Form 8966 to report its accounts and payees, a passive NFFE is an NFFE that is not an active NFFE (as defined in the applicable Model 2 IGA).

Pooled reporting. For purposes of this form, an FFI is permitted to report recalcitrant account holders, non-consenting U.S. accounts, and certain nonparticipating FFIs on an aggregate basis in a reporting pool rather than report specific account holder information. With respect to recalcitrant account holders and non-consenting U.S accounts, a reporting pool consists of account holders that fall within a particular type described in Regulations section 1.1471-4(d)(6).

Qualified Intermediary (QI), Withholding Foreign Partnership (WP), Withholding Foreign Trust (WT). A QI is a foreign entity (or foreign branch of a U.S. financial institution) that has entered into a QI agreement with the IRS. A WP is a foreign partnership that has entered into a withholding foreign partnership agreement with the IRS. A WT is a foreign trust that has entered into a withholding foreign trust agreement with the IRS.

Recalcitrant account holder. A recalcitrant account holder is an account holder (other than an account holder that is an FFI) of a PFFI or registered deemed-compliant FFI that has failed to provide the FFI maintaining its account with the information required under Regulations section 1.1471-5(g).

Registered deemed-compliant FFI (RDC FFI). A registered deemed-compliant FFI is an FFI described in Regulations section 1.1471-5(f)(1), and includes a Reporting Model 1 FFI, a QI branch of a U.S. financial institution that is a Reporting Model 1 FFI, and a nonreporting FI treated as a registered deemed-compliant FFI under a Model 2 IGA.

Reporting Model 1 FFI. A Reporting Model 1 FFI is an FI, including a foreign branch of a U.S. financial institution, treated as a reporting financial institution under a Model 1 IGA.

Reporting Model 2 FFI. A Reporting Model 2 FFI is an FI or branch of an FI treated as a reporting financial institution under a Model 2 IGA.

Specified U.S. person. A specified U.S. person is any U.S. person described in Regulations section 1.1473-1(c).

Sponsored Direct Reporting NFFE. A Sponsored Direct Reporting NFFE is a Direct Reporting NFFE that has a Sponsoring Entity perform due diligence and reporting requirements on behalf of the Sponsored Direct Reporting NFFE as described in Regulations section 1.1472-1(c)(5).

Sponsored FFI. A Sponsored FFI is an FFI that is an investment entity, a controlled foreign corporation, or a closely held investment vehicle that has a Sponsoring Entity that performs certain due diligence, withholding, and reporting obligations on behalf of the Sponsored FFI.

Sponsoring Entity. A Sponsoring Entity is an entity that has registered with the IRS to perform the due diligence, withholding, and reporting obligations of one or more Sponsored FFIs or Sponsored Direct Reporting NFFEs.

Substantial U.S. owner. A substantial U.S. owner is a specified U.S. person described in Regulations section 1.1473-1(b). For purposes of filing this form, a Reporting Model 2 FFI reporting an account held by a passive NFFE should substitute the term “controlling person that is a specified U.S. person” for “substantial U.S. owner” and refer to the applicable Model 2 IGA for the definition of controlling person. A territory NFFE that is not an excepted NFFE determines its substantial U.S. owners by applying the 10% threshold in Regulations section 1.1473-1(b)(1).

Territory Financial Institution. A Territory Financial Institution is a financial institution that is incorporated or organized under the laws of any U.S. territory, excluding a territory entity that is a financial institution only because it is an investment entity.

Territory Financial Institution treated as a U.S. person. A Territory Financial Institution treated as a U.S. person means a Territory Financial Institution treated as a U.S. person under Regulations section 1.1471-3(a)(3)(iv).

Trustee-Documented Trust. A Trustee-Documented Trust is a trust described as such in a Model 1 IGA or Model 2 IGA.

U.S. account. A U.S. account is any account held by one or more specified U.S. persons. A U.S. account also includes any account held by a passive NFFE that has one or more substantial U.S. owners, or in the case of a Reporting Model 2 FFI, any account held by a passive NFFE that has one or more controlling persons that are specified U.S. persons. See Regulations section 1.1471-5(a) and an applicable Model 2 IGA.

U.S. branch treated as a U.S. person. A U.S. branch treated as a U.S. person is a U.S. branch of a PFFI (including a Reporting Model 2 FFI) or RDC FFI that is treated as a U.S. person under Regulations section 1.1441-1(b)(2)(iv)(A).

Withholding agent. With respect to a withholdable payment, a withholding agent is a person described in Regulations section 1.1473-1(d).

Withholdable payment. A withholdable payment is a payment described in Regulations section 1.1473-1(a).

Accounts and Withholdable Payments Required To Be Reported

Accounts to be reported. A PFFI, Reporting Model 2 FFI, or RDC FFI required to report as if it is a PFFI must file a separate Form 8966 annually for each account required to be reported, or for each group of accounts for which pooled reporting is permitted, in accordance with the FFI agreement and Regulations section 1.1471-4(d). Such an FFI must report with respect to accounts required to be reported that are maintained at any time during each calendar year. This includes accounts that the FFI is required to treat as U.S. accounts or accounts held by ODFFIs, including accounts that are identified as U.S. accounts following a change in circumstances during such year or due to the expiration during such year of the time period provided in the applicable due diligence procedures for documenting the account holder. Such an

DRAFT AS OF October 12, 2016

FFI also must report accounts that are treated as held by recalcitrant account holders at the end of the calendar year. If a PFFI (including a Reporting Model 2 FFI) maintains an account for a nonparticipating FFI, it must report the information described under *Account information to be reported — Account held by nonparticipating FFI*, later. Notwithstanding the preceding sentence, an account held by a nonparticipating FFI is only required to be reported if the account holder is classified as a nonparticipating FFI as of the end of the year or the date the account is closed. See Regulations section 1.1471-4(d)(2)(i) and (ii). If an account holder rolls over the amounts in one account into another account (of the same or different type) with the same FFI during the calendar year, do not report the account twice. Form 8966 reporting is required for the following accounts.

- U.S. account maintained by a PFFI, Reporting Model 2 FFI, or RDC FFI required to report as if it is a PFFI, that is held by a specified U.S. person, and for each substantial U.S. owner (or, in the case of a Reporting Model 2 FFI, each controlling person that is a specified U.S. person) of a passive NFFE for which the FFI maintains the account. File a separate Form 8966 for each substantial U.S. owner (or controlling person) of a passive NFFE (as determined under the Regulations or an applicable Model 2 IGA) that is a specified U.S. person.

Note. See Regulations section 1.1471-5(b) for details on the types of accounts potentially subject to reporting, including depository accounts, custodial accounts, equity or debt interests in certain types of financial institutions, and certain cash value insurance or annuity contracts. Exceptions are provided, including for individual deposit accounts with a balance or value less than $50,000 (unless an election is made to forego the exception) and for certain retirement and other accounts. See Regulations sections 1.1471-5(a)(4) and 1.1471-5(b)(2). See also Regulations section 1.1471-5(a)(3) concerning who is considered the account holder where the listed holders are certain trusts or agents, or when an account is jointly held.

- Account held by an ODFFI as defined in Regulations section 1.1471-5(f)(3). File a separate Form 8966 to report for each specified U.S. person that owns certain equity or debt interests in the ODFFI described in Regulations sections 1.1471-3(d)(6)(iv)(A)(1) and (2) and 1.1471-4(d)(2)(iii)(D) (excluding certain indirect owners described in Regulations section 1.1471-5(f)(3)(ii)(E)).
- Account maintained by a Trustee-Documented Trust that is a nonreporting Model 2 FFI as defined in the applicable Model 2 IGA. The trustee files a Form 8966 to report each U.S. account (within the meaning of the Model 2 IGA) of the Trustee-Documented Trust.
- Account held by a Territory Financial Institution not treated as a U.S. person. File a separate Form 8966 with respect to each specified U.S. person or substantial U.S. owner of a passive NFFE for which the Territory Financial Institution acts as an intermediary or is a flow-through entity and provides the PFFI (including a Reporting Model 2 FFI) with the information and documentation required under Regulations section 1.1471-3(c)(3)(iii)(G). See Regulations section 1.1471-4(d)(2)(ii)(B)(2).
- Account held by a nonparticipating FFI. For calendar year 2016, file a separate Form 8966 for each account maintained for a nonparticipating FFI that is classified as such at the end of the calendar year or on the date the account is closed (including a limited branch or limited FFI treated as a nonparticipating FFI) to report certain aggregate amounts. See later in these instructions, however, for permitted pooled reporting for non-consenting nonparticipating FFIs, if specific payee reporting is prohibited under domestic law without account holder consent.
- Accounts for which pooled reporting is permitted. Accounts held by the following persons may be reported on a Form 8966 by pooled reporting type: recalcitrant account holders with U.S. indicia, recalcitrant account holders without U.S. indicia, recalcitrant account holders that are U.S. persons, recalcitrant account holders that are passive NFFEs, and recalcitrant account holders of dormant accounts. See Regulations section 1.1471-4(d)(6). A Reporting Model 2 FFI, under the terms of the Model 2 IGA, is required to report certain aggregate information regarding accounts it is required to treat as non-consenting U.S. accounts on Form 8966 in the manner described in Regulations section 1.1471-4(d)(6) (i.e., by pooled reporting types). For calendar year 2016, if specific payee reporting is prohibited under domestic law without account holder consent, a PFFI (including a Reporting Model 2 FFI) may report a pool of non-consenting nonparticipating FFIs on a single Form 8966. (See *Specific Instructions, Part V, Pooled Reporting Type*).

Account information to be reported. The following information is reported on Form 8966. See *Specific Instructions*, later, to determine the information you are required to report based on your filing status.

- **Account held by specified U.S. persons.** Identification of the account holder (name, address, and U.S. TIN), account number, account balance or value, certain enumerated payments with respect to the account (described in *Part IV*), and such other information as may be required on Form 8966 or by these instructions. See Regulations section 1.1471-4(d)(3)(ii).
- **Account held by passive NFFE.** With respect to a passive NFFE, on a separate Form 8966 for each substantial U.S. owner, the name and address of the NFFE, the identification of the substantial U.S. owner (name, address, and U.S. TIN), account number, account balance or value, certain enumerated payments with respect to the account (described in *Part IV*), and such other information as may be required on Form 8966 or by these instructions. See Regulations section 1.1471-4(d)(3)(iii).
- **Account held by ODFFI.** With respect to an account held by an ODFFI, the name and address of the ODFFI and, with respect to each specified U.S. person that owns certain equity or debt interests in the ODFFI described in Regulations section 1.1471-3(d)(6)(iv)(A)(1) and (2) (excluding certain indirect owners described in Regulations section 1.1471-5(f)(3)(ii)(E)), identification of the specified U.S. person (name, address, and TIN), account number, account balance or value, certain enumerated payments with respect to the account (described in *Part IV*), and such other information as may be required on Form 8966 or by these instructions. A separate Form 8966 must be filed for each such specified

DRAFT AS OF October 12, 2016

U.S. person. See Regulations sections 1.1471-3(d)(6)(iv)(A)(1) and (2), and 1.1471-4(d)(3)(iv)(B).

- **Account held by nonparticipating FFI.** For calendar year 2016, with respect to a nonparticipating FFI receiving a payment of a foreign reportable amount, identification of the nonparticipating FFI (name, address, and TIN), account number and total payments of foreign reportable amounts made to the nonparticipating FFI (either divided by type of payment or as one amount as set forth in *Part IV, lines 4a through 4d*). As an alternative to reporting foreign reportable amounts, the PFFI (including a Reporting Model 2 FFI) may instead report all income, gross proceeds, and redemptions (regardless of source) paid to the nonparticipating FFI during the calendar year. Additionally, if the PFFI (including a Reporting Model 2 FFI) reports accounts held by nonparticipating FFIs in reporting pools rather than specifically reporting payments to each nonparticipating FFI (see *Accounts for which pooled reporting is permitted*), the PFFI (including a Reporting Model 2 FFI) may report the total of all foreign reportable amounts or all income, gross proceeds, and redemptions (regardless of source) paid to accounts held by nonparticipating FFIs, and the aggregate number of accounts included in the pooled report. See *Part V*.
- **Accounts held by recalcitrant account holders.** Report the number of accounts included in the reporting pool and the aggregate account balance or value for such accounts.

Withholding Agent Reporting

A withholding agent (other than an FFI reporting accounts maintained by such FFI under the account reporting rules described earlier in *Accounts and Withholdable Payments Required To Be Reported*), files Form 8966 to report the following in connection with a withholdable payment.

- **Amounts paid to an ODFFI.** With respect to each ODFFI payee, on a separate Form 8966 for each specified U.S. person that owns certain equity or debt interests in the ODFFI described in Regulations section 1.1471-3(d)(6)(iv)(A)(1) and (2) (excluding certain indirect owners described in Regulations section 1.1471-5(f)(3)(ii)(E)), identification of the ODFFI and specified U.S. person (name, address, and TIN), total of all withholdable payments made to the ODFFI, account balance or value, and such other information as may be required on Form 8966 or by these instructions. See Regulations section 1.1474-1(i)(2).
- **Amounts paid to a passive NFFE.** With respect to a passive NFFE payee, on a separate Form 8966 for each specified U.S. person that is a substantial U.S. owner (or, in the case of a Reporting Model 2 FFI, controlling person), identification of the NFFE and each substantial U.S. owner (name, address, and TIN), total of all withholdable payments made to the NFFE, and such other information as may be required on Form 8966 or by these instructions. A withholding agent is not required to report on Form 8966 on a withholdable payment made to a PFFI (including a Reporting Model 2 FFI) or an RDC FFI that is allocated to a payee that is a passive NFFE with one or more substantial U.S. owners on an FFI withholding statement when the PFFI (including a Reporting Model 2 FFI) or RDC FFI includes on the statement a certification that the FFI is reporting, for the year in which the payment is made, the passive NFFE as a U.S. account (excluding a non-consenting U.S. account or an account held by a recalcitrant account holder) or, with respect to a Reporting Model 1 FFI, a U.S. reportable account, in accordance with the terms of the FFI agreement or an applicable IGA (as applicable), provided the withholding agent does not know or have reason to know that the certification is incorrect or unreliable. See Regulations section 1.1474-1(i)(1).

DRAFT As of October 13, 2016

Specific Instructions

Before You Begin

There are five parts to Form 8966. A filer completes only the relevant parts of the form applicable for that filer, as set forth in the following chart.

Form 8966 Completion

FILER	SEPARATE FORM 8966 FOR EACH	COMPLETE PARTS
PFFI	U.S. account held by a specified U.S. person	I, II, and IV
	Substantial U.S. owner (or, in the case of a Reporting Model 2 FFI, controlling person) of a passive NFFE (passive NFFE is holder of the U.S. account)	I, II, III, and IV
	Specified U.S. person owning certain equity or debt interests in an ODFFI for which you act as a designated withholding agent	I, II, III, and IV
	Account held by nonparticipating FFI (unless pooled reporting is applicable)	I, II, and IV
	Pooled reporting for recalcitrant account holders (or non-consenting U.S. accounts) or nonparticipating FFIs	I and V
WITHHOLDING AGENT	Specified U.S. person owning certain equity or debt interests in an ODFFI to which the withholding agent makes a withholdable payment	I, II, III, and IV
	Substantial U.S. owner of a passive NFFE to which the withholding agent makes a withholdable payment	I, II, III, and IV
DIRECT REPORTING NFFE	Substantial U.S. owner of a direct reporting NFFE	I, III, and IV

Special instructions for filers not specifically listed in chart. For purposes of applying the specific instructions (including this chart), a withholding agent includes a U.S. branch or Territory Financial Institution treated as a U.S. person. A Reporting Model 2 FFI files consistent with the requirements of a PFFI unless otherwise indicated. A Sponsoring Entity of a Sponsored FFI files under the requirements of a PFFI. A RDC FFI files under the requirements of a PFFI with respect to an account it is required to report as a condition of its deemed-compliant status. A trustee of a Trustee-Documented Trust files under the requirements of a PFFI. A Sponsoring Entity of a Sponsored Direct Reporting NFFE files under the requirements of a Direct Reporting NFFE. A limited branch or limited FFI, to the extent it is permitted to report, files under the requirements of a PFFI unless otherwise indicated. Entities filing consistent with a PFFI should substitute their chapter 4 status for PFFI where that term is used in the instructions, except as otherwise noted.

Amount and character of payments. The amount and character of payments made with respect to an account may be determined under the same principles that the filer uses to report information on resident account holders to its domestic tax authority. Thus, the amount and character of items of income required to be reported need not be determined in accordance with U.S. federal tax principles. If any type of payment is not reported to domestic tax authorities, such amounts may be determined in the same manner as used for reporting to the account holder. Otherwise, reporting must either be in accordance with U.S. federal tax principles, or with any reasonable method consistent with the accounting principles applied by the PFFI. IRS consent is required to change such method, except that a change to rely on U.S. federal income tax principles is automatically permitted. See Regulations section 1.1471-4(d)(4)(iv)(E).

Currency translation. Account balance or value, and any reportable payment, may be reported in U.S. dollars or in the currency in which the account or payment is denominated. In the case of an account, or payments denominated in multiple currencies, the filer may elect to report the account balance or value, or payments, in a currency in which the account or payments are denominated and is required to identify the currency, including the applicable currency code, in which the account is reported. See Regulations section 1.1471-4(d)(4)(iv)(B) and (F). If an account balance or payment is reported in U.S. dollars, the filer must calculate the amount in the manner described in Regulations section 1.1471-5(b)(4).

Rounding off to whole currency amounts. You may round fractional currency amounts up (or down) to the closest non-fractional (whole) currency amount. If the fractional currency amount is equal to or greater than half the value of the basic currency unit, round up to the next whole currency amount. If the fractional currency amount is less than half the value of the basic currency unit, round down to the next whole currency amount. If you choose to round currency amounts, you must round all currency amounts reported.

The following illustrates the application of this rule to U.S. dollar amounts. To round off amounts to the nearest whole dollar, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, $1.39 becomes $1 and $2.50 becomes $3. If you have to add two or more amounts to figure the amount to enter on a line, include cents (your fractional currency amount) when adding and only round off the total.

Correcting a previously filed Form 8966: Corrected, Amended, and Voided Reports. If you are filing Form 8966 to correct or amend a previously filed Form 8966, submit the corrected information on the Form 8966 applicable to the year of the initial reporting as follows.

Corrected report. If you are filing Form 8966 to correct information submitted to the IRS in a previously filed Form 8966 *in response to an IRS notification*, complete Form 8966 containing the corrected information as if it were the original Form 8966 for the year in question and check the box "Corrected report." You do not need to include a copy of the originally filed Form 8966 marked "Voided report" with the corrected Form 8966.

CAUTION *If the Form 8966 that you are correcting was filed electronically with the IRS, then the corrected Form 8966 must also be filed electronically with the IRS. If the Form 8966 that you are correcting was filed in paper format with the IRS, then the corrected Form 8966 must also be filed in paper format with the IRS. Failure to follow this rule will result in your corrected Form 8966 not being processed by the IRS.*

Amended report. If you are filing Form 8966 to correct a previously filed Form 8966 and you have not been contacted by the IRS, complete Form 8966 containing the corrected information as if it were the original Form 8966 and check the box "Amended report." A copy of the Form 8966 as originally filed with the IRS, updated by checking the "Voided report" box, must be filed with the amended Form 8966.

CAUTION *If the Form 8966 that you are amending was filed electronically with the IRS, then the amended Form 8966 and accompanying voided Form 8966 must be filed electronically with the IRS. If the Form 8966 that you are amending was filed in paper format with the IRS, then the amended Form 8966 and accompanying voided Form 8966 must be filed in paper format with the IRS. Failure to follow this rule will result in your amended Form 8966 not being processed by the IRS.*

Voided report. If you are filing an amended report, also file a copy of the Form 8966 as originally filed with the IRS, updated by checking the "Voided report" box.

No accounts to report. A Direct Reporting NFFE or a Sponsoring Entity reporting on behalf of a Sponsored Direct Reporting NFFE that has no substantial U.S. owners to report during the calendar year should check this box and complete *Part I* only. This box is optional for filers other than Direct Reporting NFFEs and Sponsoring Entities filing on behalf of a Sponsored Direct Reporting NFFE.

DRAFT AS OF October 12, 2016

Part I — Identification of Filer

Use *Part I* to provide identifying information about the Form 8966 filer. All filers must complete lines 1a through 3c. Filers provide information on lines 4 through 10 as required by the specific instructions for those lines.

Line 1a. Enter the filer's name.

TIP *A Direct Reporting NFFE must identify itself as the filer and provide its identifying information on lines 1a through 3c.*

TIP *A Sponsoring Entity or trustee that has agreed to assume the reporting obligations of a Sponsored FFI, a Sponsored Direct Reporting NFFE, or Trustee-Documented Trust, as applicable, must identify itself as the Form 8966 filer and must provide its identifying information on lines 1a through 3c. Sponsored FFIs, Sponsored Direct Reporting NFFEs, and Trustee-Documented Trusts are identified on line 6.*

DRAFT AS OF October 12, 2016

Line 1b. Enter one of the filer category codes listed below. Beginning with reporting for calendar year 2016, this line is mandatory for all filers.

- PFFI (other than a Reporting Model 2 FFI and including a U.S. branch of a PFFI not treated as a U.S. person) — Enter code 01.
- RDC FFI — Enter code 02.
- Limited Branch or Limited FFI — Enter code 03.
- Reporting Model 2 FFI — Enter code 04.
- QI, WP, or WT — Enter code 05.
- Direct Reporting NFFE — Enter code 06.
- Sponsoring Entity of a Sponsored FFI — Enter code 07.
- Sponsoring Entity of a Sponsored Direct Reporting NFFE — Enter code 08.
- Trustee of a Trustee-Documented Trust — Enter code 09.
- Withholding Agent (including a U.S. branch of a PFFI, Reporting Model 1 FFI, Reporting Model 2 FFI, or RDC FFI treated as a U.S. person and a U.S. branch of a Reporting Model 1 FFI (including any other RDC FFI) or Limited FFI that is not treated as a U.S. person) — Enter code 10.
- Territory Financial Institution treated as a U.S. person — Enter code 11.

Lines 2 through 3c. Enter the filer's mailing address, including country and postal code. If the filer is a PFFI, provide the mailing address of the office of the branch that maintains the account reported in *Part II*. If the filer's post office does not deliver mail to a street address and the filer has a post office box, enter the filer's post office box number instead of the filer's street address.

Line 4. If the filer has been assigned a GIIN by the IRS, enter it on line 4. Use the GIIN of the branch of an FFI that maintains the account (if applicable). If the filer is a Direct Reporting NFFE, enter its GIIN, regardless of whether or not the account is maintained by a branch. A Sponsoring Entity or trustee filing Form 8966 on behalf of a Sponsored FFI, Sponsored Direct Reporting NFFE, or Trustee-Documented Trust, as applicable, should enter the Sponsoring Entity's or trustee's GIIN.

TIP *A Sponsoring Entity should enter its Sponsoring Entity GIIN, not a separate GIIN (if any) it receives when registering as a PFFI or RDC FFI. A trustee should enter the GIIN it receives when it registers to act as a trustee of a Trustee-Documented Trust, not a separate GIIN (if any) it receives when registering itself as a PFFI or RDC FFI.*

Line 5. If the filer has been assigned a U.S. taxpayer identification number (TIN) by the IRS, enter it on line 5. If you entered a GIIN on line 4, do not complete line 5. However, a QI, WP, or WT enters on line 5 the employer identification number (EIN) that was issued by the IRS to be used by the QI, WP, or WT when acting in its capacity as such (in addition to entering its GIIN on line 4). The filer is not required to obtain a U.S. TIN in order to file Form 8966 if the filer has not been issued a U.S. TIN. Do not enter a foreign TIN. If the filer does not have a U.S. TIN, leave this line blank.

Lines 6 through 10. Lines 6 through 10 only need to be completed if the filer is a Sponsoring Entity or a trustee of a Trustee-Documented Trust, or if the filer is making a payment to a Territory Financial Institution that is acting as an intermediary or that is a flow-through entity and is not treated as a U.S. person or to a certified deemed-compliant FFI that is acting as an intermediary and providing the filer with information on a substantial U.S. owner of a passive NFFE account holder or payee.

Enter the information required by lines 6 through 10 to report the indicated information relating only to one of the following.

- A Sponsored FFI on behalf of which a Sponsoring Entity is filing Form 8966.
- A Sponsored Direct Reporting NFFE on behalf of which a Sponsoring Entity is filing Form 8966.
- A Trustee-Documented Trust on behalf of which a trustee is filing Form 8966.
- A Territory Financial Institution not treated as a U.S. person that is acting as an intermediary or that is a flow-through entity and that receives a withholdable payment from the filer of Form 8966.
- A certified deemed-compliant FFI that is acting as an intermediary and providing the filer with information on a substantial U.S. owner of a passive NFFE account holder or payee.

Lines 6 through 8c. Follow the instructions for lines 1a through 3c to provide the information required by lines 6 through 8c. Enter the name and mailing address, including country and postal code, of the Sponsored FFI, Sponsored Direct Reporting NFFE, Trustee-Documented Trust, Territory Financial Institution, or a certified deemed-compliant FFI acting as an intermediary. If the post office does not deliver mail to a street address and the entity identified on line 6 has a post office box, enter the post office box number instead of the street address.

Line 9. If the entity reported on line 6 is a Sponsored FFI (other than a sponsored, closely held investment vehicle) or a Sponsored Direct Reporting NFFE, enter the Sponsored Entity's GIIN on line 9. If the entity reported on line 6 is a Territory Financial Institution, Trustee-Documented Trust, Sponsored FFI that is a

sponsored, closely held investment vehicle, or certified deemed-compliant FFI acting as an intermediary, leave this line blank.

Do not enter the GIIN of the Sponsoring Entity or trustee of a Trustee-Documented Trust on line 9. That information is reported on line 4.

Line 10. If the entity shown on line 6 has been issued a U.S. TIN, enter the TIN on line 10. If you entered the entity's GIIN on line 9, do not complete line 10. If the entity shown on line 6 is a Territory Financial Institution that has not been issued a TIN by the IRS, report the EIN assigned to the entity by the relevant U.S. territory. If the entity shown on line 6 does not have either a GIIN or a TIN, leave line 10 blank.

DRAFT AS OF October 19, 2016

Part II — Account Holder or Payee Information

See the chart at *Specific Instructions* and *Special instructions for filers not specifically listed in chart*, earlier, before you begin this part to determine whether you are required to complete *Part II*.

Direct Reporting NFFEs and Sponsored Direct Reporting NFFEs. If you are a Direct Reporting NFFE or a Sponsoring Entity filing Form 8966 on behalf of a Sponsored Direct Reporting NFFE, do not complete *Part II*. Identifying information about the Direct Reporting NFFE or Sponsored Direct Reporting NFFE should be provided in *Part I* of the Form 8966.

Jointly held accounts. *If you are reporting a jointly held account in Part II, you must report each account holder that is a specified U.S. person on a separate Form 8966.*

Lines 1a through 5. Account holder or payee information. Complete lines 1a through 5 as follows to report information with respect to:

- A U.S. account held by a specified U.S. person and maintained by a PFFI.
- A passive NFFE with substantial U.S. owners or an ODFFI with certain equity or debt interests held by specified U.S. persons that:
  1. Is an account holder of a PFFI, or
  2. Receives a withholdable payment from a withholding agent, unless the withholding agent receives the certification from a PFFI or RDC FFI receiving the payment, as described in *Withholding Agent Reporting* under *Accounts and Withholdable Payments Required To Be Reported*, earlier.
- An account held by a nonparticipating FFI that is not included in a reporting pool.

Line 1a. Enter the name of the account holder or payee.

Line 1b. Check the appropriate box to indicate whether the account holder or payee is an individual or entity.

Lines 2 through 3c. Enter the account holder's or payee's residence address, including country and postal code, on lines 2 through 3c. If a residence address cannot be reported as required, report the address used for account or payee mailings by the FFI or withholding agent.

Line 3c. If you are reporting an address in the United States, enter only the 9-digit zip code (zip + 4) for that address.

Line 4. If the account holder or payee has been assigned a TIN, enter that number on line 4. If the account holder or payee does not have a TIN, leave line 4 blank.

Line 5. Check the appropriate box on line 5 that describes the account holder or payee reported on line 1a.

Part III — Owner Information (File a Separate Report for Each U.S. Owner That is a Specified U.S. Person)

See the chart at *Specific Instructions* and *Special instructions for filers not specifically listed in chart*, earlier, before you begin this part to determine whether you are required to complete *Part III*.

Use *Part III* to report information about substantial U.S. owners of a passive NFFE, substantial U.S. owners of a Direct Reporting NFFE, substantial U.S. owners of a Sponsored Direct Reporting NFFE, and specified U.S. persons owning certain equity or debt interests in an ODFFI identified in *Part II, line 1a*. Complete lines 1 through 4 to report U.S. owner information as follows.

Line 1. Enter the U.S. owner's name.

Lines 2 through 3c. Enter the U.S. owner's residence address, including country and postal code, on lines 2 through 3c.

Line 3c. If you are reporting an address in the United States, enter only the 9-digit zip code (zip + 4) for that address.

Line 4. Enter the social security number (SSN), individual taxpayer identification number (ITIN), or employer identification number (EIN) of the U.S. owner.

U.S. owners. *If you are a PFFI or withholding agent reporting substantial U.S. owners of a passive NFFE, or specified U.S. persons owning certain equity or debt interests in an ODFFI, you are required to file a separate Form 8966 to report information required in Part III for each such substantial U.S. owner or specified U.S. person. If you are a Direct Reporting NFFE or a Sponsoring Entity filing on behalf of a Sponsored Direct Reporting NFFE, you are required to file a separate Form 8966 to report each substantial U.S. owner.*

Part IV — Financial Information

See the chart at *Specific Instructions* and *Special instructions for filers not specifically listed in chart*, earlier, before you begin this part to determine whether you are required to complete *Part IV*.

Use *Part IV* to provide financial information about:

- An account maintained by a PFFI and held by a specified U.S. person, passive NFFE with substantial U.S. owners, ODFFI with specified U.S. persons holding certain equity or debt interests in the ODFFI, or a nonparticipating FFI reported on *Part II, line 1a*.
- A withholdable payment made to a passive NFFE with a substantial U.S. owner or an ODFFI with a specified U.S. person holding certain equity or debt interests in the

ODFFI reported on *Part II, line 1a* by a withholding agent that is not a PFFI.

- The value of each substantial U.S. owner's equity interest in the Direct Reporting NFFE or the Sponsored Direct Reporting NFFE.
- The total of all payments made to each substantial U.S. owner of a Direct Reporting NFFE or a Sponsored Direct Reporting NFFE during the calendar year by such NFFE with respect to each such owner's equity interest in the NFFE.

DRAFT AS OF October 12, 2016

PFFI Filers

Enter the following information on lines 1 through 4d for each account required to be reported by a PFFI and held by a specified U.S. person, a passive NFFE with respect to its substantial U.S. owners, an ODFFI with respect to certain equity or debt interests held by more than one specified U.S. person, or a nonparticipating FFI.

Line 1. Enter the account number on line 1. The account number is the identifying number assigned by the PFFI for a purpose other than the filing of this form, or, if no such number is assigned to the account, a unique serial number or other number the PFFI assigns to the account for purposes of filing this form that distinguishes it from other accounts maintained by the PFFI. For example, the account number may be the account number of a custodial account or depository account, the code (ISIN or other) related to a debt or equity interest (if not held in a custody account), or the identification code of a cash value insurance contract or annuity contract. If the PFFI has no account numbering system, enter "NANUM" for no account number.

Line 2. If the amounts reported in lines 3a and 4a through 4d are not reported in U.S. dollars, enter the code for the currency in which the amounts are reported. The currency code must be a valid three-character ISO 4217 currency code. If the amounts are reported in U.S. dollars, enter "USD."

Line 3a. Enter the average calendar year account balance or value if that amount is reported to the account holder. Otherwise, report the account balance or value as of the end of the calendar year. See Regulations section 1.1471-5(b)(4) for detailed rules for determining an account's balance or value. If the account holder is a nonparticipating FFI, leave line 3a blank.

TIP *If an account is closed or transferred in its entirety by an account holder during the calendar year, enter the amount or value withdrawn or transferred from the account in connection with the closure or transfer on line 3a and check the box in line 3b for "Account closed during the year."*

TIP *Each holder of a jointly held account is attributed the entire balance or value of the joint account.*

Line 3b. Account closed during the year. Check this box if the account reported in *Part IV* was closed or transferred in its entirety during the calendar year. If an account holder rolls over the amounts in one account into another account (of the same or different type) with the same FFI during the calendar year, do not report the account as closed.

CAUTION *Beginning with reporting for calendar year 2016, line 3b is mandatory for PFFIs that are required to report an account that is closed or transferred in its entirety during the calendar year.*

Line 4a. Enter the aggregate gross amount of interest paid or credited to the account being reported for the calendar year.

Line 4b. Enter the aggregate gross amount of dividends paid or credited with respect to an account being reported for the calendar year.

Line 4c. Enter the aggregate gross proceeds from the sale or redemption of property paid or credited to the account being reported for the calendar year.

Line 4d. Enter the aggregate gross amount of all income paid or credited to an account for the calendar year, reduced by interest, dividends, and gross proceeds reported on lines 4a through 4c. For accounts described in Regulations sections 1.1471-5(b)(1)(iii) (certain debt or equity interests) or 1.1471-5(b)(1)(iv) (certain cash value insurance contracts and annuity contracts), enter the aggregate gross amounts paid or credited to the account during the calendar year, including payments in redemption (in whole or part) of the account, and do not enter any amounts on lines 4a through 4c.

TIP *For calendar year 2016, with respect to a nonparticipating FFI account holder receiving a payment of a foreign reportable amount, report the total payments of foreign reportable amounts made to the nonparticipating FFI either divided by type of payment on lines 4a through 4d, or as one amount entered on line 4d. As an alternative to reporting foreign reportable amounts the PFFI may instead report all income, gross proceeds, and redemptions (regardless of source) paid to the nonparticipating FFI during the calendar year. Enter this amount on line 4d.*

TIP *If an account is closed or transferred in its entirety by an account holder during a calendar year, report the amounts paid or credited to the account for the calendar year until the date of transfer or closure on lines 4a through 4d. See Regulations section 1.1471-4(d)(4)(iv)(D).*

Withholding Agents

A withholding agent that is not an FFI should enter the following information on lines 1 through 4d in connection with withholdable payments made to:

- An account maintained by the withholding agent and held by a passive NFFE with a substantial U.S. owner or an ODFFI with a specified U.S. person owning certain equity or debt interests in the ODFFI.
- A payment on an obligation made to a payee that the withholding agent treats as a passive NFFE with substantial U.S. owner(s) or an ODFFI with a specified U.S. person owning certain equity or debt interests in the ODFFI.

Line 1. If the payment is made to an account, enter the account number on line 1. If the payment is not made to an account maintained by the payor, enter "NANUM" for no account number.

Line 2. If the amounts reported in lines 3a and 4a through 4d are not reported in U.S. dollars, enter the code for the currency in which the amounts are reported. The currency code must be a valid three-character ISO 4217 currency code. If the amounts are reported in U.S. dollars, enter "USD."

Line 3a. With respect to an account held by an ODFFI, enter the average calendar year account balance or value if that amount is reported to the account holder. Otherwise, report the account balance or value as of the end of the calendar year. See Regulations section 1.1471-5(b)(4) for detailed rules for determining an account's balance or value. If the account holder is a passive NFFE, do not enter any information on this line.

Line 3b. Do not check the box on line 3b.

Line 4a. Enter the aggregate gross amount of interest paid (or credited to the payee's account) that is a withholdable payment for the calendar year.

Line 4b. Enter the aggregate gross amount of dividends paid (or credited to the payee's account) that is a withholdable payment for the calendar year.

Line 4c. Enter the aggregate gross proceeds paid (or credited to the payee's account) that is a withholdable payment for the calendar year.

Line 4d. Enter the aggregate gross amount of all income paid (or credited to the payee's account) that is a withholdable payment for the calendar year, reduced by interest, dividends, and gross proceeds reported on lines 4a through 4c.

Direct Reporting NFFEs and Sponsored Direct Reporting NFFEs

If you are a Direct Reporting NFFE or a Sponsoring Entity filing Form 8966 on behalf of a Sponsored Direct Reporting NFFE, complete lines 1 through 4d as follows.

Line 1. Enter "NANUM" (for no account number) on line 1.

Line 2. If the amounts reported in lines 3a and 4a through 4d are not reported in U.S. dollars, enter the code for the currency in which the amounts are reported. The currency code must be a valid three-character ISO 4217 currency code. If the amounts are reported in U.S. dollars, enter "USD."

Line 3a. Enter the value of the equity interest in the NFFE of the substantial U.S. owner identified in *Part III*.

Line 3b. Do not check the box on line 3b.

Lines 4a through 4d. Enter the total of all payments made by the NFFE during the calendar year to the substantial U.S. owner identified in *Part III* (either divided by type of payment on lines 4a through 4d or as one amount on line 4d), including the gross amounts paid or credited to the substantial U.S. owner with respect to such owner's equity interest in the NFFE during the calendar year, which include payments in redemption or liquidation (in whole or part) of the substantial U.S. owner's equity interest in the NFFE.

Part V — Pooled Reporting Type

See the chart at *Specific Instructions* and *Special instructions for filers not specifically listed in chart*, earlier, before you begin this part to determine whether you are required to complete *Part V.*

If you are a PFFI, use *Part V* to report information about the accounts held by recalcitrant account holders (or, for Reporting Model 2 FFIs, non-consenting U.S. accounts) and amounts paid to nonparticipating FFIs you are reporting on a pooled basis. If you are required to report more than one type of pooled reporting account, file a separate Form 8966 for each type.

CAUTION ***Direct Reporting NFFEs and Sponsored Direct Reporting NFFEs.*** *Do not complete Part V.*

Lines 1 through 5. Complete lines 1 through 5 as follows to report information about accounts for which pooled reporting is permitted. A PFFI is not required to complete line 3 for accounts held by recalcitrant account holders (or for Reporting Model 2 FFIs, non-consenting U.S. accounts).

Line 1. Check the appropriate box for the applicable pooled reporting type. See *Accounts and Withholdable Payments Required To Be Reported — Accounts for which pooled reporting is permitted* for the categories of pooled reporting accounts.

TIP *For calendar year 2016, if a PFFI is prohibited under domestic law from reporting a nonparticipating FFI on a specific payee basis without consent from the nonparticipating FFI account holder and the PFFI has not been able to obtain such consent, the PFFI may report such accounts in a pool. See Regulations section 1.1471-4(d)(2)(ii)(F).*

TIP *For pooled reporting of non-consenting U.S. accounts, report the type substituting "non-consenting U.S. account" for "recalcitrant account."*

Line 2. Enter the total number of accounts reported in *Part V.*

Line 3. Only complete line 3 if you are reporting accounts held by nonparticipating FFIs.

TIP *For calendar year 2016, if you are reporting accounts held by nonparticipating FFIs, enter the aggregate amount of foreign reportable amounts paid to the accounts reported in Part V. See the definition of foreign reportable amount, earlier. Instead of reporting foreign reportable amounts, you may report all income, gross proceeds, and redemptions (irrespective of source) paid to the accounts reported in Part V during the calendar year.*

Line 4. Enter the aggregate balance or value of the accounts held by recalcitrant account holders (or, for Reporting Model 2 FFIs, non-consenting U.S. accounts)

DRAFT AS OF October 12, 2016

at the end of the year. Do not complete line 4 if you are reporting accounts held by nonparticipating FFIs.

Line 5. If the amounts reported in lines 3 and 4 (to the extent applicable) are not reported in U.S. dollars, enter the code for the currency in which the amounts are reported. The currency code must be a valid three-character ISO 4217 currency code. If the amounts are reported in U.S. dollars, enter "USD."

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Chapter 4 of the Code requires certain withholding agents and foreign financial institutions to report information with respect to certain U.S. accounts, substantial U.S. owners of passive NFFEs, U.S. accounts held by owner-documented FFIs, and certain other accounts as applicable based on the filer's chapter 4 status. Form 8966 is used to comply with this reporting requirement.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 25 minutes.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from *www.irs.gov/formspubs*. Click on "More Information" and then on "Give us feedback." Or you can write to Internal Revenue Service, Tax Forms and Publications, SE:W:CAR:MP:TFP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *When, How, and Where to File,* earlier.

DRAFT AS OF October 19, 2016