

IRS News Release

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IRS Upgrades, Enhances FATCA Registration System

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WASHINGTON -- The Internal Revenue Service has upgraded the Foreign Account Tax Compliance Act (FATCA) Online Registration System, enabling sponsoring entities to register their sponsored entities to obtain a global intermediary identification number. The upgraded system also will allow users to update their information, download registration tables and change their financial institution type. The upgrade also includes an updated jurisdiction list.

The Foreign Account Tax Compliance Act (FATCA) Online Registration System is a secure, web-based system that financial institutions and other entities can use to register for FATCA purposes. Launched in 2013, the system allows the IRS to identify foreign financial institutions and certain other entities with FATCA obligations. These entities generally report on foreign financial accounts held by U.S. taxpayers under the terms of FATCA or pursuant to the provisions of specific intergovernmental agreements (IGAs).

“The registration system is the backbone of FATCA,” said IRS Commissioner John Koskinen. “These upgrades improve the FATCA process, enabling the registration of sponsored entities and making it easier for registrants to use. Working with financial institutions and through intergovernmental agreements, our progress against undisclosed foreign accounts continues.”

More than 170,000 financial institutions worldwide have registered with the IRS. These financial institutions are located in more than 200 jurisdictions. In most cases, those foreign financial institutions that do not comply with FATCA or participate through an IGA are subject to 30 percent withholding on certain U.S. source payments.

FATCA requires certain sponsored entities (including those covered by an IGA) to have their own Global Intermediary Identification Number (GIIN) for FATCA reporting and withholding purposes by Dec. 31, 2016. To facilitate this requirement, the FATCA Online Registration System will now enable sponsoring entities to add their sponsored entities and, if applicable, sponsored subsidiary branches. These entities can be added either individually or by submitting a file containing information for multiple entities.

The IRS also provides a Microsoft Excel-based Sponsored Entity Data Preparation Tool for users choosing the multiple record file upload option. As a result of the new sponsored entities and sponsored subsidiary branches, the values available for the GIIN have been expanded. See the Instructions for Sponsored Entity Data Preparation Tool for XML File for the definitions of sponsored entities and sponsored subsidiary branches.

The update to the system occurred on November 16. The improvements to the system and additional features to manage user accounts include the following:

- New questions have been added, such as asking foreign financial institutions to indicate their tax identification number in their country or jurisdiction, if they have one. Other questions relate to identifying the common parent entity of the expanded affiliated group.
- Certain financial institutions can now change their “Financial Institution Type.”
- Member financial institutions can now transfer to another expanded affiliated group without having to cancel their current agreement and re-register.

Following the change or transfer, a new FATCA account will be created with existing registration information, including branches.

The FATCA Online Registration System User Guide and FAQs have been updated for these enhancements. Additional information on this system is available at www.irs.gov/fatca.

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