

# **Appendix B**

## **IRPAC Recommendations on IRS Summary of FATCA Timelines**



## Appendix B

### International Reporting and Withholding Subgroup Report

#### IRPAC Recommendations on IRS Summary of FATCA Timelines

## Summary of FATCA Timelines

**NOTE: These IRPAC recommended changes (in red and ~~striketrough~~) to the IRS Summary of FATCA Timelines have not been approved by the IRS.**

### Withholding (by withholding agents)

#### 2014

- July 1 30% U.S. withholding tax will apply to payments of certain U.S. source income (e.g., dividends, interest, insurance premiums) made to non-U.S. financial institutions (FFIs) ... **UNLESS** FFI establishes **by registration** it is
- A participating FFI, including FFIs in Model 2 IGA,
  - An FFI in a jurisdiction with a Model 1 IGA treated as in effect, or
  - A low-risk FFI

#### 2019

- January 1 30% U.S. withholding tax will apply to any gross proceeds from the sale or other disposition after December 31, 2018 of any property of a type that can produce the U.S. source income described above.

- TBD U.S. withholding tax will apply to foreign passthru payment to a recalcitrant account holder or a nonparticipating FFI that is made after the later of December 31, 2018 or the date of the publication of final Treasury Regulations defining the term foreign passthru payment.

**Exception:** Certain smaller and more local FFIs and exempt beneficial owners (primarily government-owned entities and international organizations) can avoid withholding if they provide the withholding agent with documentation about their status.

### Registration (by financial institutions)

#### 2013

- August 19 Registration website available for testing purposes only

#### 2014

- January 1 Official opening date to register and obtain Global Intermediary Identification Number (GIIN)
- May 5 Final day to register for guaranteed inclusion on first registered FFI list (to avoid withholding)
- June 2 First Registered FFI list published – updated monthly thereafter

#### 2016

- January 1 All limited FFI and limited branch registrations will be placed in registration incomplete status on their online FATCA account after December 31, 2015.

Limited FFIs and limited branches that seek to continue such status during the 2016 calendar year must edit and resubmit their registrations after December 31, 2015, on the FATCA registration website.

December 31 Sponsoring entities must register their sponsored investment entities and sponsored controlled foreign corporations (CFCs) covered by Annex II of a Model 1 IGA on or before the later of December 31, 2016, and the date that is 90 days after a U.S. reportable account is first identified.

Sponsoring entities must register their sponsored investment entities and sponsored CFCs covered by Annex II of a Model 2 IGA on or before December 31, 2016.

**2017**

January 1 Sponsoring entities must register their sponsored registered deemed-compliant FFIs and sponsored direct reporting NFFEs by January 1, 2017. Sponsoring entities should consider registering to obtain GIINs well in advance of January 1, 2017, in order to give withholding agents sufficient time to complete the verification requirement.

**Reporting (by financial institutions)**

2015: Reporting Begins

**When to Report**

March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions

September 30 FFIs in Model 1 IGA jurisdictions (**September 30 is the Model 1 IGA jurisdiction reporting deadline to the U.S. Internal Revenue Service; see the applicable Model 1 IGA jurisdictions guidance for the FFI reporting deadline to the Model 1 IGA jurisdiction**):

**What to Report** (with respect to 2014):

1. Account holder's name  
For passive non-financial foreign entity, the name(s) of any substantial U.S. owners
2. Account holder's U.S. taxpayer identification number (TIN)  
For passive non-financial foreign entity, only the TIN(s) of any substantial U.S. owner(s)
3. Account holder's address  
For passive non-financial foreign entity, only the address(es) of substantial U.S. owner(s)
4. Account number
5. Account balance or value
6. For accounts held by recalcitrant/nonconsenting account holders: report aggregate number and balance or value

**2016**

**When to Report**

March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions

September 30 FFIs in Model 1 IGA jurisdictions (**September 30 is the Model 1 IGA jurisdiction reporting deadline to the U.S. Internal Revenue Service; see the applicable Model 1 IGA jurisdictions guidance for the FFI reporting deadline to the Model 1 IGA jurisdiction**):

**What to Report (with respect to 2015):**

- Everything reported in (1) through (6) for 2014
7. **Gross amount of Income paid on custodial and depository accounts; total gross amount paid on all other accounts** (~~except certain gross proceeds from the sale or redemption of property~~)

**2017**

**When to Report**

- March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions
- September 30 FFIs in Model 1 IGA jurisdictions (**September 30 is the Model 1 IGA jurisdiction reporting deadline to the U.S. Internal Revenue Service; see the applicable Model 1 IGA jurisdictions guidance for the FFI reporting deadline to the Model 1 IGA jurisdiction**):

**What to Report (with respect to 2016):**

- Everything reported in (1) through (7) for 2015
8. Gross proceeds paid to custodial accounts

**After 2018~~7~~**

**When to Report**

- March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions
- September 30 FFIs in Model 1 IGA jurisdictions (**September 30 is the Model 1 IGA jurisdiction reporting deadline to the U.S. Internal Revenue Service; see the applicable Model 1 IGA jurisdictions guidance for the FFI reporting deadline to the Model 1 IGA jurisdiction**):

**What to Report (with respect to ~~previous year~~2017):**

Everything reported in (1) through (8) for 2016

**2019**

~~**When to Report**~~ -

- ~~March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions~~
- ~~September 30 FFIs in Model 1 IGA jurisdictions:~~

~~**What to Report (with respect to 2018):**~~

- ~~- Everything reported in (1) through (8) for 2017~~
- ~~-~~

~~**After 2019**~~

~~**When to Report**~~

- ~~March 31 FFIs in non-IGA jurisdictions and FFIs in Model 2 IGA jurisdictions~~
- ~~September 30 FFIs in Model 1 IGA jurisdictions:~~

~~**What to Report (with respect to previous year):**~~

- ~~- Everything reported in (1) through (8) for 2018~~

**Form 8966 Reporting by U.S. Withholding Agents**

2015: Reporting Begins

**When to Report**

March 31

**What to Report (with respect to 2014):**

1. Name of passive NFFE that is owned by a substantial US owner; or name of owner-documented FFI
2. The name, address and TIN of each substantial U.S. owner of the passive NFFE; or specified US person identified in an owner reporting statement by an owner-documented FFI,

- 3 Total of all withholdable payments made to the passive NFFE or owner-  
documented FFI during the calendar year.\*\*
- 4 Account balance or value of account held by an owner-documented FFI
- 5 Any other information required by Form 8966 and its instructions

**\*\*Note that beginning January 1, 2019, the definition of withholdable payment will include gross proceeds from the sale or disposition of property of a type that can produce interest or dividends that are US source FDAP income**

Form 8966 reporting by U.S. withholding agents for years after 2015 is the same as above for 2015\*\*

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