
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. FATCA Qualified Intermediary/Withholding Foreign Partnership/Withholding Foreign Trust (QI/WP/WT) Application and Account Management, QI System

2. Is this a new system? No

2a. If **no**, is there a PIA for this system? Yes

If **yes**, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.

FATCA Qualified Intermediary/Withholding Foreign Partnership/Withholding Foreign Trust (QI/WP/WT) Application and Account Management; also known as QI System; PCLIA #1764

Next, enter the **date** of the most recent PIA. 8/31/2016

Indicate which of the following changes occurred to require this update (check all that apply).

<u>No</u>	Addition of PII
<u>No</u>	Conversions
<u>No</u>	Anonymous to Non-Anonymous
<u>Yes</u>	Significant System Management Changes
<u>No</u>	Significant Merging with Another System
<u>No</u>	New Access by IRS employees or Members of the Public
<u>No</u>	Addition of Commercial Data / Sources
<u>No</u>	New Interagency Use
<u>No</u>	Internal Flow or Collection

Were there other system changes not listed above? No

If yes, explain what changes were made.

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

<u>Yes</u>	Vision & Strategy/Milestone 0
<u>Yes</u>	Project Initiation/Milestone 1
<u>Yes</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>No</u>	System Deployment/Milestone 5
<u>No</u>	Operations & Maintenance (i.e., system is currently operational)

4. Is this a Federal Information Security Management Act (FISMA) reportable system? Yes

A.1 General Business Purpose

5. What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The purpose of the FATCA QI System is to automate the input of paper Form 14345. The system will automate the Renewal of the Qualified Intermediary, Withholding Foreign Partnership or Withholding Foreign Trust (QI, WP, or WT) Agreement with the IRS. Approximately 6,500 entities renewed this agreement before December 31, 2016 when the current agreement regulations expire. This automation removed the burden of sending in renewal forms by postal mail and allows IRS employees to review the renewal of agreements via an online tool. Regulation 1.1471-4(c) (7) states that Qualified Intermediary (QI) is an eligible person that enters into a QI Agreement with the IRS pursuant to Rev. Proc. 2000-12, 2000-4 I.R.B. 387, and that acts as a QI under such Agreement. Generally, under the QI Agreement, the QI/Withholding Foreign Partnership (WP), Withholding Foreign Trust (WT) agrees to assume certain documentation and withholding responsibilities in exchange for simplified information reporting for its foreign account holders and the ability not to disclose proprietary account holder information to a withholding agent that may be a competitor. The regulatory deadline is 01/01/2017. This system is to enable entities to enter into an agreement with IRS to become a Qualified Intermediary (QI), Withholding Foreign Partnership (WP) or Withholding Foreign Trust (WT). Once an entity is approved as a QI, WP or WT, the entity can renew its agreement at the appropriate times, or terminate its agreement with IRS. The entity can also use the system to maintain its account information. Authorized IRS Users will access the system to review and manage the QI/WP/WT account information, applications, renewals, and notices of termination, input paper applications submitted via form 14345, manage EINs, and send specific messages regarding their account. Without this automation the management of the QI/WP/WT application and renewal process will not be feasible for the Foreign Payments Practice/Qualified Intermediary group to process all information forms manually. This impedes the FATCA renewal process from performing the work timely and within IRS IT Security requirements. The same regulations require a QI, WP or WT conduct a periodic review and certification of compliance. As part of this compliance program, the responsible officer is required to make periodic compliance certifications and provide, with the certifications, certain factual information to the IRS based, in part, on the results of a periodic review. New functionality in the QI System includes the ability of a QI, WP, or WT to certify, request to become a Consolidated Compliance Group (CCG) under the Consolidated Compliance Program, update a CCG, certify a CCG or terminate a CCG. The automation of the certification removes the burden of sending in forms by postal mail and allows IRS employees to review certifications and CCG requests via an online tool. Without this automation, the management of the QI, WP, WT and CCG certifications is not feasible for the Foreign Payments Practice/Qualified Intermediary group to process all information manually. This impedes the FATCA certification process from performing the work timely and within IRS Security Requirements.

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any type of Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII)? Yes

6a. If **yes**, does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN s) or tax identification numbers (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or tax identification number) is collected on.

Yes On Primary No On Spouse No On Dependent

If **yes**, check all types SSN s (or tax identification numbers) that apply to this system:

Yes	Social Security Number (SSN)
Yes	Employer Identification Number (EIN)

Yes	Individual Taxpayer Identification Number (ITIN)
No	Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
Yes	Practitioner Tax Identification Number (PTIN)

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN s (or tax identification numbers).

The current IRS policy for issuing EINs and using Power of Attorney forms is to gather the information below. If the policy of the IRS changes in the future, the QI/WP/WT application will change the information that is gathered. Form SS-4 is a required form that must be completed and uploaded to the QI/WP/WT system for all organizations applying for QI/WP/WT status. Form SS-4 contains the following information: EIN, legal name of the entity, address, name, telephone and fax number of the responsible party, the responsible party's SSN, EIN, or ITIN. It could also include sole proprietor SSN, SSN of decedent, a plan administrator TIN, a trust which would have the TIN of the grantor, a third-party designee name, address, phone and fax number. Form 2848 (Power of Attorney and Declaration of Representative) must also be included with the application for registration. This form includes taxpayer name and address and telephone number, their tax identification number, representatives' names address, telephone number and fax number and PTIN; also may contain bar, license, certification, registration, or enrollment number.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) Yes

If **yes**, specify the information.

Selected	PII Element	On Primary	On Spouse	On Dependent
Yes	Name	Yes	No	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
Yes	E-mail Address	No	No	No
No	Date of Birth	No	No	No
No	Place of Birth	No	No	No
Yes	SEID	No	No	No
No	Mother's Maiden Name	No	No	No
No	Protection Personal Identification Numbers (IP PIN)	No	No	No
No	Internet Protocol Address (IP Address)	No	No	No
No	Criminal History	No	No	No
No	Medical Information	No	No	No
Yes	Certificate or License Numbers	No	No	No
No	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
No	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	No	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If **yes**, select the types of SBU

Selected	SBU Name	SBU Description
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No	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
No	Official Use Only (OUO) or Limited Official Use (LOU)	Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.
Yes	Proprietary data	Business information that does not belong to the IRS
No	Protected Information	Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government
No	Physical Security Information	Security information containing details of serious weaknesses and vulnerabilities associated with specific systems and facilities
No	Criminal Investigation Information	Information concerning IRS criminal investigations or the agents conducting the investigations.

6d. Are there other types of SBU/PII used in the system? No

6e. Cite the authority for collecting SBU/PII (including SSN if relevant)

Yes	PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
Yes	SSN for tax returns and return information is Internal Revenue Code Section 6109
No	SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397
No	PII for personnel administration is 5 USC
No	PII about individuals for Bank Secrecy Act compliance 31 USC
No	Information by CI for certain money laundering cases may be 18 USC

6f. Has the authority been verified with the system owner? Yes

B.1 BUSINESS NEEDS AND ACCURACY

7. Explain the detailed business needs and uses for the SBU/PII, and how the SBU/PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

The purpose of the system is to enable entities to enter into an agreement with IRS to become a Qualified Intermediary (QI), Withholding Foreign Partnership (WP) or Withholding Foreign Trust (WT), and renew or terminate its existing QI, WP or WT agreement with IRS. The system also allows the entity to update its account information. The new functionality includes the ability of a QI, WP, or WT, or Consolidated Compliance Group entity to conduct a certification. An entity will be able to request to become a Consolidated Compliance Group under the Consolidated Compliance Program, update a CCG, or request to terminate a CCG. Authorized IRS Users will access the system to review and manage the QI/WP/WT account information, applications, renewals, and notices of termination, input paper applications submitted via form 14345, manage EINs, and send

specific messages to QI, WP or WTs regarding their account. The application and renewal questions, including the required uploaded files, are based on form 14345 and contain only the necessary information for IRS to make a determination regarding whether or not the entity is qualified to become a QI, WP, or WT, or maintain QI, WP, or WT status. Form SS-4 is required because once approved, the entity will be issued an Employer Identification Number (EIN) to use for QI, WP or WT reporting. Form SS-4 is required to obtain that EIN. Form 2848 is only required if the entity is designating a Power of Attorney for its QI, WP or WT account. This follows the IRS policy on designation of a power of attorney. The PII information collected regarding the Responsible Party and Contact Person is used to notify the entity of status or other changes to its account, or correspond with the entity regarding their QI, WP or WT account. All file uploads for certification will be available to the IRS analyst to review for the certifications or CCG information and allows the IRS analyst the means to select the proper course of action for an entity. An external user may upload or delete a file. All file uploads are not available for viewing by the QI, WP, or WT.

8. How is the SBU/PII verified for accuracy, timeliness, and completeness? Explain how steps are taken to ensure that all information maintained by the system that is used by IRS to make any adverse determination about an individual's rights, benefits, and/or privileges is maintained with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination

The entity provides the SBU/PII regarding the Responsible Party and Contact Person through the FATCA-QI system. To ensure accuracy and completeness, the FATCA-QI System performs required field and format validation on the Responsible Party and Contact Person information when saved. The entity cannot submit their application, renewal, certification or request for CCG if the information submitted is not complete. The Responsible Party or Contact Person can edit this contact information as needed from its home page. The entity is responsible for keeping this information up to date. The FATCA-QI System does not make any determination pertaining to an individual's rights, benefits, and/or privileges.

C. PRIVACY ACT AND SYSTEM OF RECORDS

9. Are 10 or more records containing SBU/PII maintained, stored, and/or transmitted by or through this system? Yes

9a. If **yes**, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual? Yes

If **yes**, is there a System of Records Notice(s) or SORNs that addresses the PII records in this system? Yes

If **yes**, enter the SORN number(s) and the complete the name of the SORN.

<u>SORNS Number</u>	<u>SORNS Name</u>
Treas/IRS IRS 42.017	International Enforcement Program Information File
Treas/IRS 42.021	Compliance Programs and Projects Files

If **yes**, does the System of Records Notice(s) (SORN) published in the Federal Register adequately describe the records as required by the Privacy Act? Yes

D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. # # Official Use Only

E. INCOMING PII INTERFACES

11. Does the system receive SBU/PII from other system or agencies? Yes

11a. If **yes**, does the system receive SBU/PII from IRS files and databases? Yes

If **yes**, enter the files and databases.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
FATCA Financial Institution Registration System (FATCA FI)	Yes	07/28/2015	Yes	03/20/2014

11b. Does the system receive SBU/PII from other federal agency or agencies? No

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

11d. Does the system receive SBU/PII from other sources? No

11e. Does the system receive SBU/PII from **Taxpayer** forms? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
SS-4	Application For Employer Identification Number
2848	Power of Attorney and Declaration of Representative
14345	Application for Qualified Intermediary, Withholding

11f. Does the system receive SBU/PII from **Employee** forms (such as the I-9)? No

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? Yes

If **yes**, identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
FATCA Financial Institution Registration System (FATCA FI)	Yes	07/28/2015	Yes	03/20/2014

Identify the authority and for what purpose? The FATCA FI Registration System is a web-based application that enables the IRS to enter into agreements with Financial Institutions in

order to engage in withholding and reporting activities under the FATCA legislation. It enables FI users to securely submit the registration data and agreement forms, as well as to manage account information via an online portal. Key registration data will be published as an FI List on the public portal with search and download capability. The FATCA FI Registration System project objectives align with the IRS's goal to enforce the law to ensure everyone meets their obligation to pay taxes, specifically aligning to the objective to meet the challenges of international tax administration. The FATCA legislation enhances the Service's ability to identify and monitor US income movement in Foreign Financial Institutions (FIs), ultimately improving international tax administration efforts (IRS Strategic Plan, Goal 2, Objective 3). FI Registration provides the first step for this enhanced visibility by enabling the IRS to enter into agreements with large numbers of FIs as participating FIs (PFIs) under FATCA. The objectives also align with the IRS's goal to invest for higher performance by building and deploying advanced information technology systems, processes, and tools to improve IRS efficiency and productivity. The proposed portal component of the FATCA FI Registration satisfies the IRS objective to increase efficiency through IT solutions (IRS Strategic Plan, Strategic Foundations, Objective 2).

12b. Does this system disseminate SBU/PII to other Federal agencies? No

12c. Does this system disseminate SBU/PII to State and local agencies? No

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

12e. Does this system disseminate SBU/PII to other Sources? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, cloud, global position system (GPS), biometrics, RFID, etc.? No

15. Does the system use cloud computing? No

16. Does this system/application interact with the public? Yes

16a. If **yes**, was (or will) an electronic risk assessment (e-RA) conducted on the system/application? Yes

16a1. If **yes**, when was the **e-RA** conducted? 8/2/2016

If **yes**, what was the approved level of authentication?

Level 2: Some confidence in the asserted identity's validity.

Single Factor Identity Validation

H. INDIVIDUAL NOTICE AND CONSENT

17. Was/is notice provided to the individual prior to collection of information? Yes

17a. If **yes**, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide any of the requested information? Instructions will be included on screen for required information. There will also be corresponding User Guide providing detailed information. Some fields are required and some fields are optional. If

the entity is not able to provide the required information, they cannot complete the application, renewal or certification process.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? Yes

18a. If **yes**, describe the mechanism by which individuals indicate their consent choice(s):
If the entity does not provide the required information, they cannot complete the application, renewal or certification process. Optional fields are at the discretion of the entity.

19. How does the system or business process ensure due process regarding information access, correction and redress? Regulation 1.1471-4(c) (7) states that Qualified Intermediary (QI) is an eligible person that enters into a QI Agreement with the IRS pursuant to Rev. Proc. 2000-12, 2000-4 I.R.B. 387, and that acts as a QI under such Agreement. Generally, under the QI Agreement, the QI /Withholding Foreign Partnership (WP), Withholding Foreign Trust (WT) agrees to assume certain documentation and withholding responsibilities in exchange for simplified information reporting for its foreign account holders and the ability not to disclose proprietary account holder information to a withholding agent that may be a competitor. – If an entity does not complete the online questions as required or is missing pertinent information; the application, renewal or certification is set or returned to the entity as “incomplete”. The online application is designed to go no further if required fields are missing; the entity will not be able to submit. The online certification is designed to go no further if required fields are missing; the entity will not be able to submit. - There is no hierarchy of appeals - There is a policy of not accepting “stale” information, so the entity must provide current data - If the entity wishes to have the IRS reconsider their application; the analyst will forward through their management chain. The online certification is designed to go no further if required fields are missing; the entity will not be able to submit.

I. INFORMATION PROTECTION

20. Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated)

IRS Owned and Operated

21. The following people have access to the system with the specified rights:

IRS Employees? Yes

<u>IRS Employees?</u>	<u>Yes/No</u>	<u>Access Level(Read Only/Read Write/Administrator)</u>
Users	Yes	Read and Write
Managers	Yes	Read and Write
Sys. Administrators	Yes	Read and Write
Developers	No	

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? If the entity has a FATCA Registration account, several fields will be populated into the FATCA-QI system database. The entity will only be able to access this data once the entity has verified that the user (Responsible Party and/or Contact Person) are authorized. This may be done as part of the FATCA-QI account creation process. To access the system, the entity must have established a FATCA-QI online account. All other data will be input by that entity. For users that are applying to become a QI, WP, or WT, once their application is reviewed and approved, an IRS employee will assign an EIN, which the entity can view from within their online account. Note that requesting and processing the EIN is done manually outside of the FATCA-QI system. IRS will utilize OL5081 groups to determine which IRS employees need access to FATCA-QI system data through the employee interface and reports via Business Objects to perform their job duties.

21b. If computer matching occurs, can the business owner certify that it meets requirements of IRM 11.3.39 Disclosure of Official Information, Computer Matching & Privacy Protection Act?
Not Applicable

I.1 RECORDS RETENTION SCHEDULE

22. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? No

22b. If **no**, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system. FATCA-QI/WP/WT is unscheduled. All IRS records must have a National Archives and Records Administration (NARA)-approved records disposition authority (must be "scheduled") before they can be destroyed and/or purged from IRS electronic systems. This is required under Title 44 of the United States Code. FATCA Program staff will work with the IRS Records and Information Management (RIM) Program Office to develop and submit to NARA requests for records disposition authorities for FATCA records (in all formats) as they are identified and/or developed, to include F-14345. FATCA-QI registration data will be maintained for 15 years after the QI, W, or WT has terminated their agreement with IRS, or IRS has terminated their agreement.

I.2 SA&A OR ECM-R

23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? Yes

23a. If **yes**, what date was it completed? 2/24/2017

23.1 Describe in detail the system's audit trail. Appendix I of the audit plan provides details of the system's audit trail. The QI Auditable events will be stored in FATCA database before being written to log file. Access to log files will be restricted via folder permissions to members of the JbossAdm group and the EFTU utility. Audit logs are generated every 6 hours. EFTU will transfer log to the SAAS system for review. Audit events will be stored in the database for up to 7 years. Audit logs will be kept in a local archive folder for at least 7 days.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? Yes

24b. If **yes**, Is the test plan in process or completed: In Process

If **in process**, when is the test plan scheduled for completion? 3/16/2018

24.3 If **completed/ or in process**, describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met? The final User Acceptance Testing will occur from December 1 – December 22, 2017. User guides will address required fields for the entity applying, renewing or certifying their QI Agreement. IRS user training will address the handling of incomplete information from the entity. The system is designed to allow only the Responsible Officer and Contact Person to view the information provided to the IRS using the QI system.

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing? No

L. NUMBER AND CATEGORY OF PII RECORDS

26. Identify the number of individual records in the system for each category:

26a. IRS Employees: Not Applicable

26b. Contractors: Not Applicable

26c. Members of the Public: Under 100,000

26d. Other: No

M. CIVIL LIBERTIES

27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No

28. Is the system information used to conduct data-mining as defined in the *Implementing the 9/11 Commission Recommendations Act of 2007, Public Law 110-53, Section 804*? No

29. Will this system have the capability to identify, locate, and monitor individuals or groups of people?
No

N. ACCOUNTING OF DISCLOSURES

30. Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent? No

End of Report
