Practical guidance in respect of US FATCA reporting for Jersey institutions

Release date: 18 April 2017

These guidance notes provide practical guidance for Financial Institutions (FIs) making FATCA reports to Jersey. They do not replace the requirement for an FI to ensure it complies with the Taxation (Implementation) (International Tax Compliance) (United States of America) (Jersey) Regulations 2014.

It is recommended that you familiarise yourselves with those Regulations.

Contents

1. Release of US FATCA v2.0 schema.
3. Updates to existing elements from v1.1 to v2.0 US FATCA schema.
4. Upgrade to the AEOI Portal.
   Appendix 1 - FATCA v1.1 files to FATCA v2.0 Conversion

1. Release of US FATCA v2.0 schema

As of January 2017, all FATCA reports must be submitted using v2.0 of the FATCA schema. Reports using v1.1 will not be accepted by Jersey’s AEOI portal or by the IRS.

In the event that an FI becomes aware of an error or incomplete information in respect of its 2014 or 2015 reports, the FATCA 1, 2, 3 or 4 files for those years must also be submitted using v2.0 of the schema.

A copy of the v2.0 schema guide can be found on the IRS website at the links below:-

Download - Schema Overview

Download - v2.0 schema and guidance

v2.0 contains new elements that must be included (mandatory elements) as well as new optional elements that may be included. The rules applicable to some existing data elements have also been amended.
2. New elements in US FATCA v2.0 schema

2.1 Filer category – new – optional/mandatory

This element has been added in order to specify in what capacity the filer is making the report, for example as a Participating Foreign Financial Institution, a Sponsoring entity of a Sponsored Foreign Financial Institution or trustee of a Trustee-Documented Trust (see page 39 of the IRS’s updated user guide for all possible options).

Where an entity is filing as a sponsor or as the trustee of a Trustee-Documented Trust (and therefore using the Sponsor section of the report), the Filer Category should be added to the sponsor segment of the report only.

Fig.1 – example of filer category where the entity is a sponsor or trustee of a Trustee Documented Trust.

```xml
<ftc:Sponsor>
  <sfa:TIN issuedBy="US">XXXXXX.00000.SP.832</sfa:TIN>
  <sfa:Name>Any Company Limited</sfa:Name>
  <sfa:Address>
    <sfa:AddressFix>
      <sfa:Street />
      <sfa:BuildingIdentifier>Any Number, Any Road, Any Parish</sfa:BuildingIdentifier>
      <sfa:FloorIdentifier />
      <sfa:DistrictName />
      <sfa:PostCode>JE1 1AB</sfa:PostCode>
      <sfa:City>Any Parish</sfa:City>
      <sfa:CountrySubentity />
    </sfa:AddressFix>
    </sfa:Address>
  <ftc:FilerCategory>FATCA607</ftc:FilerCategory>
  <ftc:DocSpec>
    <ftc:DocTypeIndic>FATCA1</ftc:DocTypeIndic>
    <ftc:DocRefId>XXXXXX.00000.SP.832.b87f374e-51a9-4e7a-a79e-b9fc1f86932b</ftc:DocRefId>
    <ftc:CorrMessageRefId />
    <ftc:CorrDocRefId />
  </ftc:DocSpec>
</ftc:Sponsor>
```
Where an entity is filing as the reporting FI itself, the filer category should be added to the 'ReportingFI' segment of the report.

**Fig.2** - example of filer category where the entity is reporting as an FI.

```
<ftc:ReportingFI>
  <sfa:TIN issuedBy="US">XXXXXX.00000.LE.832</sfa:TIN>
  <sfa:Name>Any Company Limited</sfa:Name>
  <sfa:Address>
    <sfa:Street>Any Parish</sfa:Street>
    <sfa:BuildingIdentifier>Any Info</sfa:BuildingIdentifier>
    <sfa:PostCode>JE1 1AB</sfa:PostCode>
    <sfa:City>Jersey</sfa:City>
  </sfa:Address>
  <ftc:FilerCategory>FATCA603</ftc:FilerCategory>
</ftc:ReportingFI>
```

Filer category should only be reported once. i.e. it should not be reported in both the sponsor and ReportingFI elements.

Acceptable filer category values for sponsor are FATCA607 and FATCA609.

Acceptable filer category values for reporting FI are FATCA601, FATCA602, FATCA603 and FATCA605.

**2.2 Account closed – new - optional**

Allows a financial institution to declare if an account has been closed. If this field is populated it should be completed as follows.

**Fig.3** – example of account closed element

```
<ftc:AccountReport>
  <ftc:DocSpec>
```

2.3 Account number type – new - optional

Allows a financial institution to identify the type of account the account number relates to.

The permissible options are

<table>
<thead>
<tr>
<th>Code</th>
<th>Account Type</th>
<th>Example shown</th>
<th>Validation applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD601</td>
<td>IBAN</td>
<td>Fig.4 (a)</td>
<td>Must start with the two letter country code and be between 16 and 31 letters and digits in length.</td>
</tr>
<tr>
<td>OECD602</td>
<td>OBAN</td>
<td>Fig.4 (b)</td>
<td>No specific format required</td>
</tr>
<tr>
<td>OECD603</td>
<td>ISIN</td>
<td>Fig.4 (c)</td>
<td>Must start with the two letter country code and be 12 letters and digits in length.</td>
</tr>
<tr>
<td>OECD604</td>
<td>OSIN</td>
<td>Fig.4 (b)</td>
<td>No specific format required</td>
</tr>
<tr>
<td>OECD605</td>
<td>Other</td>
<td>Fig.4 (b)</td>
<td>No specific format required</td>
</tr>
</tbody>
</table>

Full details can be found in section 6.4.2 of the schema.

**Fig. 4 (a) IBAN - OECD601** – must start with the two letter country code and be between 16 and 31 letters and digits in length.

<ftc:AccountNumberAcctNumberType="OECD601">CCXXXXXXXXXXXXXXXXXXXXXX</ftc:AccountNumber>

**Fig. 4 (b) OECD602, OECD604 and OECD605** – no specific length or format for Account Number

<ftc:AccountReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA1</ftc:DocTypeIndic>
<ftc:DocRefId>XXXXXX.00000.LE.832.2A3ABA1A-BA3A-46CE-91F1-BCC091E96E4</ftc:DocRefId>
</ftc:DocSpec>
<ftc:AccountNumber AcctNumberType="OECD605">5678</ftc:AccountNumber>
<ftc:AccountHolder>
Fig. 4 (c) ISIN - OECD603 – must start with the two letter country code and be 12 letters and digits in length.

<ftc:AccountNumberAcctNumberType="OECD603">CCXXXXXXXXXXX</ftc:AccountNumber>

2.4 Nill report - new - optional

Indicates a reporting financial institution has no accounts to report. Please note the required spelling of “Nill”.

Fig.5 – example of a nill report element

<ftc:NillReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA1</ftc:DocTypeIndic>
<ftc:DocRefId>XXXXXX.99999.SL.832.4string</ftc:DocRefId>
</ftc:DocSpec>
<ftc:NoAccountToReport>yes</ftc:NoAccountToReport>
</ftc:NillReport>
</ftc:ReportingGroup>

You must ensure that all fields specified in the schema as required are populated.

3. Updates to existing data elements from v1.1 to v2.0

Please note that all submissions going forward must comply with v2.0 of the schema.

If you still have US FATCA submissions to complete in relation to 2014 or 2015 the attached conversion notes (appendix 1) will help you convert those existing files. These notes are only intended to act as an aid to those converting files for earlier years and are not sufficient to permit preparation of 2016 reports.

3.1 Namespace – updated

The FATCA XML schema v2.0 uses namespaces based on OECD common reporting standards.

3.2 Account holder type - updated

Update to the FATCA account holder type. This is only required when “Organisation” is selected under AccountHolder. If “Individual” is selected, this is not required.

Acceptable values are FATCA101, FATCA102, FATCA103 and FATCA104
**Fig. 6** – example of account holder type element

```xml
<ftc:AccountHolder>
  <ftc:Organisation>
    <sfa:TIN issuedBy="US">000000000</sfa:TIN>
    <sfa:Name>A Company Name</sfa:Name>
    <sfa:Address>
      <sfa:AddressFix>
        <sfa:Street>AAAAA</sfa:Street>
        <sfa:BuildingIdentifier>TOWN</sfa:BuildingIdentifier>
        <sfa:City>CITY</sfa:City>
      </sfa:AddressFix>
    </sfa:Address>
  </ftc:Organisation>
  <AcctHolderType>FATCA101</AcctHolderType>
</ftc:AccountHolder>
```

### 3.3 Substantial owner - updated

This data element now needs to be identified as an individual or an organisation.

If the entity account holder or payee is a nonparticipating FFI (NPFFI) or specified US person, do not complete the SubstantialOwner element.

### 4. Upgrade to the AEOI portal

Additional validation checks have been installed in the Jersey AEOI portal to identify errors as early as possible and to reduce the number of record level errors identified by the IRS. These are:

#### 4.1 US TIN format
A value for a TIN data element must be either in a GIIN format or in one of the following formats for a US TIN:

- Nine consecutive digits without hyphens or other separators (e.g. 123456789)
- Nine digits with 2 hyphens (e.g. 123-45-6789)
- Nine digits with a hyphen entered after the second digit (e.g. 12-3456789)

If the TIN field is omitted or the value is not in a valid format, the AEOI portal will not accept the file.

4.2 City or town

An FI may choose whether to report addresses using the Address Fix (Fig. 7) or AddressFree (Fig. 8) format, but regardless of the format used, the “City” element of AddressFix must be completed.

If the city field is omitted, the AEOI portal will not accept the file.

Fig. 7 – example of AddressFix element

```xml
<sfa:Address>
  <sfa:AddressFix>
    <sfa:Street>Any Street</sfa:Street>
    <sfa:BuildingIdentifier>Any Building</sfa:BuildingIdentifier>
    <sfa:PostCode>12345</sfa:PostCode>
    <sfa:City>Any City</sfa:City>
  </sfa:AddressFix>
</sfa:Address>
```

Fig 8 – example of AddressFree element

```xml
<sfa:Address>
  <sfa:AddressFix>
    <sfa:City>Any City</sfa:City>
  </sfa:AddressFix>
  <sfa:AddressFree>Any Street, Any Town, Any State USA, 12345</sfa:AddressFree>
</sfa:Address>
```

4.3 Pooled reports – not permitted

Pooled reports are not to be used if reporting is being done pursuant to a Model 1 IGA, such as the agreement between Jersey and the US. Pooled reports will no longer be accepted by the Jersey AEOI portal.
4.4 Receiving country code for US FATCA must be US

**Fig.9** – example of receiving country code element

<sfa:SendingCompanyIN>XXXXXXXX.99999.SL.832</sfa:SendingCompanyIN>
<sfa:TransmittingCountry>JE</sfa:TransmittingCountry>
<sfa:ReceivingCountry>US</sfa:ReceivingCountry>

4.5 Message type will be validated to ensure it is a FATCA file

**Fig.10** – example of Message type element

<sfa:ReceivingCountry>US</sfa:ReceivingCountry>
<sfa:MessageType>FATCA</sfa:MessageType>
<sfa:MessageRefId>JE2016JE123456789ABCDEFG</sfa:MessageRefId>

Director – International Tax
18 April 2017
Appendix 1
FATCA v1.1 files to FATCA v2.0 Conversion

Note: This document has been prepared in order to assist financial institutions (FIs) to convert FATCA reports prepared for 2014 or 2015 into a format which will be accepted by the IRS FATCA reporting system. It is not sufficient to permit FIs to report correctly for 2016 and subsequent years, and FIs should ensure that they are in a position to report correctly by the reporting deadline.

To convert an existing FATCA v1.1 to FATCA v2.0 requires the following changes:

FATCA_OECD namespace changes require ties:stffatcatypes and ties:fatca version to change from v1 to v2, so an example:


Changes to:


Also notice the version attribute has changed from version=“1.1” to version=“2.0”

FATCA/ReportingGroup/AccountReport/SubstantialOwner

<ftc:AccountReport>
  <ftc:SubstantialOwner>
    <sfa:TIN issuedBy="US">123456789</sfa:TIN>
    <sfa:Name>
      <sfa:FirstName>John</sfa:FirstName>
      <sfa:MiddleName>Peter</sfa:MiddleName>
      <sfa:LastName>Smith</sfa:LastName>
    </sfa:Name>
    <sfa:Address>
      <sfa:AddressFix>
        <sfa:Street>Main Street</sfa:Street>
        <sfa:BuildingIdentifier>456</sfa:BuildingIdentifier>
      </sfa:AddressFix>
    </sfa:Address>
  </ftc:SubstantialOwner>
</ftc:AccountReport>
The SubstantialOwner tag now requires an <ftc:Individual> or <ftc:Organisation> child node, previously it was assumed Individual, version 2.0 allows a choice for Organisation.

A converted version of the example on the previous page would look like this:

```xml
<ftc:AccountReport>
  <ftc:SubstantialOwner>
    <ftc:Individual>
      <sfa:TIN issuedBy="US">123456789</sfa:TIN>
      <sfa:Name>
        <sfa:FirstName>John</sfa:FirstName>
        <sfa:MiddleName>Peter</sfa:MiddleName>
        <sfa:LastName>Smith</sfa:LastName>
      </sfa:Name>
      <sfa:Address>
        <sfa:AddressFix>
          <sfa:Street>Main Street</sfa:Street>
          <sfa:BuildingIdentifier>456</sfa:BuildingIdentifier>
          <sfa:PostCode>75244</sfa:PostCode>
          <sfa:City>City</sfa:City>
          <sfa:CountrySubentity>TX</sfa:CountrySubentity>
        </sfa:AddressFix>
      </sfa:Address>
      <sfa:BirthInfo>
        <sfa:BirthDate>1960-01-01</sfa:BirthDate>
      </sfa:BirthInfo>
    </ftc:Individual>
  </ftc:SubstantialOwner>
</ftc:AccountReport>
```