

2022 CRS/FATCA data – common errors

The Foreign Account Tax Compliance Act (“FATCA”) and the Common Reporting Standard (“CRS”) have been operational in Jersey since 2014 and 2016 respectively. These regulations were implemented to promote transparency and prevent tax evasion.

Annually, Revenue Jersey identifies several common themes that can lead to Financial Institutions (“FIs”) not complying with their obligations under FATCA and CRS. These errors, often unintentional, can result in non-compliance and potential penalties. It is therefore crucial for FIs to be aware of these common pitfalls and take steps to avoid them.

To ensure compliance, FIs are encouraged to have well-developed Schemes of Internal Control and Assurance in place. These systems can be tested and validated by Revenue Jersey, providing a level of confidence in the FI’s compliance efforts. In the absence of such systems, Revenue Jersey may need to undertake increased testing of CRS/FATCA reports submitted by the FI at a granular level. This can be a more time-consuming and rigorous process, further emphasizing the importance of robust internal control systems.

Please note, this document does not supersede any previous versions or other guidance. Instead, it serves to enhance and build upon the information provided in those documents and outlines common errors identified across 2023.

Common errors – 2022 data

1. FATCA registrations and requesting a Global Intermediary Identification Number (“GIIN”)

Common error: FI’s register for a GIIN within the month of June for the same reporting year and the IRS GIIN list is not updated prior to the reporting deadline of 30 June.

Mitigation: If required, FIs should register for a GIIN as soon as possible. Revenue Jersey recommends that you register for a GIIN by mid-May at the very latest to ensure the GIIN is issued prior to 30 June. Filing an accurate and complete report by 30 June for the relevant reporting year ensures that no late filing penalties arise.

Further support:

- Ensuring that the FI’s name in the report matches **exactly** with the IRS GIIN list to avoid validation errors, taking into account that the name field is case and space sensitive.
- It should be noted that FATCA reports will not be accepted on the portal without a valid US GIIN.

- Jersey Reporting FIs that are certified deemed-compliant under FATCA and do not maintain a GIIN:
 - it is recommended that where a GIIN has been issued, it is used. Alternatively, use of a TIN as the company registration number, an EIN (Global Entity Identification Number) or any other allowable identifying number specified by the tax administration of the jurisdiction receiving the information may be used.
- You can register for a GIIN here: [FATCA Foreign Financial Institution Registration System | Internal Revenue Service \(irs.gov\)](#)
- De-registration should be done in a timely manner once an FI has been liquidated, dissolved, or re-classified and has ensured that it's final filing obligations have been met to avoid enquiries and any potential penalties.

2. Failure to validate self-certifications

Common error: FIs only relying on FATCA GIINs to support self-certifications received at account opening from an entity stating that they are an FI.

Mitigation: FIs should ensure that the due diligence procedures are carried out fully at the outset as part of the account opening and reasonableness checks conducted on the self-certification received.

Further support:

- FIs should request relevant documentation from entities classified as financial institutions.
- Other available sources of information such as public registries and databases should be consulted where relevant to validate the classification communicated.
- Should a discrepancy arise, the onboarding FI should seek to clarify this with the prospective account holder ahead of the financial account being 'opened'.

3. CRS returns without Date of Birth (“DoB”) or Tax Identification Number (“TIN”)

Common error: The return submission is rejected due to a validation error in the DoB or TIN fields.

Mitigation: Refer to Revenue Jersey’s practical guidance notes for TY2023 reporting which include the updated validations in place. This will also reference the correct FATCA dummy TINs and their appropriate uses.

Further support:

- For CRS returns in the absence of a TIN or DoB:
 - use the default 'NOTIN' option for the TIN and remove the <BirthDate> field.

- For 2023 data onwards; dates of birth prior to 1909-01-01 are prohibited. Any reports containing dates of birth prior to this date or using the old default of 1908-01-01 will not validate.
- The Jersey AEOI portal will also not validate any file where the Date of Birth element is left blank. Therefore, the options available are:
 - 1) use a valid Date of Birth
 - 2) remove the Date of Birth element entirely.

For example –

<BirthDate>1957-08-13</BirthDate> - *Will validate.*

<BirthDate>1900-01-01</BirthDate> - *Will not validate as date of birth is prior to 1909-01-01.*

<BirthDate></BirthDate> - *Will not validate as the field left blank.*

<BirthInfo>

<BirthDate>1957-08-13</BirthDate> - *this line can be removed entirely if a DOB is unknown.*

<City>String</City>

<CitySubentity>String</CitySubentity>

<CountryInfo>

<CountryCode>JM</CountryCode>

</CountryInfo>

</BirthInfo>

4. Dummy TINs being used

Common error: Accounts which continue being reported with a dummy TIN value.

Mitigation: Demonstration of outreach efforts at least once annually for pre-existing accounts and having a mechanism in place to detect changes in circumstances.

Further support:

- RFIs are required to obtain a TIN on account opening as part of the self-certification for new accounts,
- RFIs must demonstrate reasonable effort to obtain a TIN in the case of Pre-existing accounts where this is not currently held on file (Commentary on section 1(28)),
- In the case of a Change in Circumstances noticed by the RFI, it should obtain a self-certification and new documentary evidence to establish the residence jurisdiction(s) within 90 calendar days.

5. Validation error on submission

Common error: Encountering a validation error on submission.

Mitigation: By ensuring exact spelling including any special characters etc. and cross checking with a prior successful submission, this should help mitigate these validation errors.

Further support:

- When the return delivery is too large, it must be split into separate files for CRS Jersey:
 - The subsequent files should all be OECD1, not OECD0.
 - All FATCA/CRS returns must be submitted in xml format onto the Jersey AEOI portal.
 - Returns in any other formats will not be accepted and will not pass validation.
- XML error when submitting CRS, FATCA returns to AEOI portal:
 - The spelling of the RFI name is case sensitive and must match exactly what is on IRS list this includes any spacing, hyphens, or dashes.
- If you see the CRS return filing error “file has failed Schema validation”:
 - check that CRS is selected on the drop-down box when submitting the return, and;
 - check that the Namespace (perhaps cross refer with a previous successful submission) to ensure it is in the correct format and version.

6. Deadline for corrections

Common error: Waiting until the portal re-opens in October to submit any corrections and amendments.

Mitigation: Ensure corrections are submitted as early as possible, advisably ahead of the reporting deadline to avoid potential compliance penalties.

Further support:

- While there may not be a specific deadline for submitting corrections, it's generally best practice to do so voluntarily and as soon as an error is spotted. It is recommended that this is also communicated to the AEOI team on AEOI@gov.je
- AEOIMan is inactive during the month of September and early October (with the exact date always communicated in advance via the mailing list).

7. Not marking accounts as closed

Common error: FIs not marking the financial accounts as closed during the relevant reporting period (refer to this being an area of focus/questioning).

Mitigation: By ensuring the account status reported is accurately reflected.

Further support:

- In the case of the closure of an account, the following must be captured in the information reported:
 - the fact of closure of the account and

- the gross payments made to the account holder during the relevant reporting period.
- When a RFI is in the process of being dissolved or liquidated:
 - If a Reportable Account is closed due to the liquidation or winding up of the RFI, information with respect to such an account remains annually reportable until the date of closure of the Financial Account.

8. Change of FI name not reflected

Common error: When an FI changes its name, but the FATCA IRS GIIN account and AEOI portal haven't been updated, this may result in the return being rejected.

Mitigation: When a FI changes its name, it's important to ensure that the FATCA IRS GIIN account and AEOI portal are updated with the new name.

Further support:

- For FATCA reporting, the FI's name needs to match exactly what is on the IRS GIIN list. If it doesn't, there are two options to proceed with the reporting:
 - Use a Sponsor GIIN (if you have one) to complete the filing.
 - Apply for a new GIIN or update the GIIN list with the correct name.
- When applying for a new GIIN or updating the FI name during June, this will not be in force before the 30 June filing deadline. The IRS updates the list at the start of each month. Therefore, it's advisable for FIs to ensure this is completed in good time before the deadline.

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