
PRACTICE NOTE

PN 189/15

Date: 20 April 2015

INFORMATION PROVIDERS' REPORTING OBLIGATIONS

International Obligations

Introduction

This Practice Note explains the prescribed formats to be used by paying agents, financial institutions, and their sponsoring entities with international reporting obligations under one or more of the following:

- the Isle of Man's Intergovernmental Agreement with the United States of America (US FATCA);
- the Isle of Man's Intergovernmental Agreement with the United Kingdom (UK IGA);
- the Common Reporting Standard (CRS).
- the European Union Savings Directive (EUSD);

The Practice Note supplements the guidance contained in [GN31](#) 'Application of the European Savings Directive for the Isle of Man Paying Agents' and the Isle of Man [Guidance Notes](#) for both 'The International Tax Compliance (United States of America) Regulations 2014' and 'The International Tax Compliance (United Kingdom) Regulations 2014'.

US FATCA

Isle of Man financial institutions with reporting obligations for US FATCA are required to submit information to be exchanged in an XML file in accordance with the prescribed format for exchange set by the United States Internal Revenue Service (the IRS).

A user guide, and the XSD file for the IRS's US FATCA schema, can be found on the IRS's website at:

<http://www.irs.gov/Businesses/Corporations/FATCA-XML-Schemas-and-Business-Rules-for-Form-8966>.

US FATCA returns must be submitted to the Assessor no later than 30 June following the end of the calendar year to which the information relates.

UK IGA

Isle of Man financial institutions with reporting obligations under the UK IGA are required to submit information to be exchanged in an XML file in accordance with the prescribed format for exchange set by the IRS, as described in the US FATCA section above.

UK IGA returns must be submitted to the Assessor no later than 30 June following the end of the calendar year to which the information relates.

Common Reporting Standard

Reporting for the CRS will commence in 2017, in respect of the 2016 reporting year. The OECD has advised that reporting must be made in XML, in accordance with a CRS schema. Details of the CRS schema will be published on the Division's website as soon as they are available.

EUSD

Paying agents with reporting obligations under the European Union Savings Directive are required to submit information to be exchanged in an XML file in accordance with the prescribed format for exchange used within the EU (FISC 153).

Full technical details, including the schema, for the FISC 153 reporting format can be found in the downloadable documents section of the Income Tax Division's (the Division) dedicated EUSD page at the link below:

[http://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/european-savings-directive-\(eusd\)/](http://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/international-agreements/european-savings-directive-(eusd)/)

Paying agents with less than ten items of data subject to information reporting can apply to the Assessor in writing for permission to use Microsoft Excel format as an alternative to FISC 153. Applications to use the alternative format should be submitted before the end of the relevant tax year. Details of the Microsoft Excel format will be provided when the Assessor confirms with a paying agent that the alternative format may be used.

EUSD returns must be submitted to the Assessor no later than 5 August following the end of the tax year to which the information relates.

Future Proposal

In October 2014 the European Commission indicated that, following the adoption of the CRS, it is considering repealing the Savings Directive 'in order to have just one standard of automatic exchange and avoid legislative overlaps'. The Assessor will provide further details concerning the proposed repeal to paying agents in due course.

Validation of XML Files

The XML formats to be used for US FATCA, the UK IGA and EUSD described above are mandatory and returns in any other format will not be accepted and could result in the information not being submitted to the partner authority.

On receipt of the US FATCA, UK IGA and EUSD files the Division will check that they comply with the applicable schema requirements. Any files that cannot be validated against the schemas will be returned to financial institutions for correction.

Test Files

In order to help paying agents and financial institutions comply with their reporting responsibilities, the Division will accept test files for US FATCA, the UK IGA and EUSD reporting, to ensure that the format meets the relevant schema specification.

Test files can be submitted by email to aeoitesting.itd@itd.treasury.gov.im but should not contain any real client data and should be clearly marked as test files in the subject line of the email.

Method of Transmission

Present

Paying agents, financial institutions, and their sponsors may transmit EUSD and US FATCA information to the Assessor in the prescribed formats detailed above in one of two ways:

1. Physical Storage Device

The Assessor will accept files saved to physical storage devices, such as CDs, DVDs or memory sticks, delivered by hand or sent by secure mail (courier or recorded delivery service) to the following address:

FAO The International Co-Operation Officer
Income Tax Division
Government Office, Douglas
Isle of Man, British Isles
IM1 3TX

Data submitted on physical storage devices must be password protected and the submission should include details of the person from whom the Division can obtain the necessary password to open the submitted files.

2. Secure Email

The preferred method of transmission is by encrypted email to the addresses shown below:

- EUSD - eusdsubmissions@gov.im
- US FATCA - aeoi@itd.treasury.gov.im

Proposed Method from 2016

To enable quick and secure transmission of data from paying agents, insurers, financial institutions, and their sponsors to the Assessor a new Online Service for information providers will be launched for reporting with effect from 2016.

The service will enable all information providers to securely upload reports, direct to the Division. The service will automatically validate the uploaded files against the applicable schemas and report any errors to users instantly so that they can make the necessary corrections.

Further information on the registration and enrolment process for the online service will be made available in late 2015.

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This Practice Note is intended only as a general guide and must be read in conjunction with the appropriate legislation. It does not have any binding force and does not affect a person's right of appeal on points concerning their own liability to income tax.

Comments and suggestions for improvements of issued Practice Notes and suggestions for future Practice Notes are always welcome.