
INDUSTRY ADVISORY NOTICE

Date: 2 MARCH 2018

AUTOMATIC EXCHANGE OF INFORMATION – IT UPDATE

This industry update is applicable to all Isle of Man Financial Institutions, Sponsors and Third Parties and provides important updates in respect of US FATCA.

US TIN FORMAT – TIN UNKNOWN

Isle of Man Reporting Financial Institutions were required, by law, to obtain valid US TINs for all relevant pre-existing accounts from 1 January 2017.

In its Notice 2017-46, published September 2017, the IRS confirmed that it understood that 'some Model 1 FFIs need additional time to implement practices and procedures to obtain and report required US TINs' and will, as a result, 'not determine that there is significant non-compliance with obligations' under the US Agreement solely because of a failure to obtain and report each required US TIN for the reporting years ended **31/12/2017** to **31/12/2019** so long as certain conditions are met.

The three conditions, as set out in in section 18.3.2.1 of Guidance Note [GN55](#), require Isle of Man Financial Institutions to:

- Obtain and report the date of birth of each accountholder and controlling person whose US TIN is not reported; and
- Request annually from each accountholder any missing required US TIN; and
- Before making its 2017 report to the Isle of Man Competent Authority search all electronically searchable data maintained for any missing US TINs.

In the December update of GN55, the Assessor confirmed that further details on how Financial Institutions should report missing US TINs would be provided by the US authorities in due course but in the interim Isle of Man Financial Institutions could continue to use the 'default' nine zero TIN to signify a valid TIN is not held until such updated guidance is made available by the US.

The IRS has now provided updated guidance and has confirmed that the TIN format Isle of Man Financial Institutions should use, where **all** of the above conditions are met is nine capital letter A's '**AAAAAAAAA**' and the previous 'default' of nine zeros (00000000) will no longer be accepted as illustrated below:

```
<AccountHolder>  
<Individual>  
<ResCountryCode>US</ResCountryCode>  
<TIN issuedBy="US">AAAAAAAAA</TIN>
```

As a result, the Isle of Man Information Provider's Online Service has been updated to accept nine A's and disallow any TINs containing nine zeroes. The Assessor will update GN55 in relation to the US TIN format in due course.

Nicola Guffogg
Assessor of Income Tax