



**Isle of Man  
Government**

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# The Treasury *Yn Tashtey*

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## **INCOME TAX DIVISION**

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## **INDUSTRY ADVISORY NOTICE**

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**Date: 11 May 2018**

### **AUTOMATIC EXCHANGE OF INFORMATION – MAY 2018 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 and the CRS, particularly regarding IT. This update includes:-

- a reminder about the reporting deadline;
- an update on the Information Providers' Online Service; and
- instructions for correcting a previously submitted file.

#### **REPORTING DEADLINE NEARS**

The **30 June 2018** deadline for Isle of Man Financial Institutions to submit their 2017 US FATCA and CRS reports to the Income Tax Division is approaching.

US FATCA and CRS reports **must** be submitted to the Assessor online using the Information Providers' Online Service and in the prescribed XML file format.

Isle of Man Financial Institutions that fail to file valid, complete reports on time may be liable to penalties and further compliance action.

Isle of Man Financial Institutions are reminded that reliance on a Third Party (including an IT provider) will not be considered a reasonable excuse for filing late and penalties may still be applied.

#### **INFORMATION PROVIDERS' ONLINE SERVICE - MAXIMUM FILE SIZE**

Users of the Information Providers' Online Service should be advised that, at present, the service has a maximum file size limit of **75mb**.

Any users with XML files greater than the maximum file size limit will be required to split their data into separate valid files of less than 75mb, to ensure that the data is correctly validated and securely transmitted to the Assessor. Each file will require a 'MessageSpec' section at the start of the file to ensure it can be correctly validated.

Users with large files should contact the Division if they need to submit in this manner so that a new return 'link' can be opened to allow the submission of multiple files for the reporting period.

#### **CORRECTIONS, DELETIONS AND ADDITIONS (US FATCA and CRS)**

After an initial report (US FATCA or CRS) has been filed, Isle of Man Financial Institutions may need to make amendments if they identify missing data or errors in the data previously submitted.

Amendments may also be required where the Assessor advises the Financial Institution that the recipient jurisdiction has identified an issue with that data, commonly referred to as 'record level' errors, which require correction.

The process for correcting a report will be different depending upon the specific circumstances, as explained below.

## **DELETIONS (VOIDING)**

The process for deleting previously submitted data, referred to as **voiding**, applies to both US FATCA and the CRS and occurs when an issue is identified that requires a record to be removed (deleted) in full.

- **Has the data been onwardly transmitted?**

Where an Isle of Man Financial Institution identifies that they need to delete existing data (or make any other change to that data) after they have submitted it, the Assessor will ask for the amended file, in its entirety, to be re-submitted as a new file (see below), replacing the original submission in full, **if** the data has not yet been transmitted to the recipient jurisdiction.

This process will generally apply to cases where the Isle of Man Financial Institution needs to amend the report and can do so before **31 August**.

After the data has been transmitted to the recipient jurisdiction, Isle of Man Financial Institutions will need to provide the Assessor with a void file in order to delete the incorrect data. This will need to be sent to the Assessor using the Information Providers' Online Service.

Isle of Man Financial Institutions should therefore contact the Division in order to open an additional return 'link' (as illustrated in Figure 1).

**Fig 1 – Information Providers Submitting Additional XML Files**

<u>Period Start</u>	<u>Period End</u>	<u>Return Type</u>	<u>Status</u>	<u>Submission Date</u>	
01 Jan 2016	31 Dec 2016	CRS	Submitted	25 May 2017	
01 Jan 2017	31 Dec 2017	CRS	Submitted	03 May 2018	
<b>01 Jan 2017</b>	31 Dec 2017	CRS			

As illustrated above, the record of the original submission for the period will be retained.

- **What data needs to be voided (deleted)?**

A Financial Institution may need to void (delete) a submission in full, or may only need to remove specific records. In the case of US FATCA the process is the same no matter how much data needs to be deleted (as illustrated in Figure 2). However, the CRS process is different depending on whether the void data relates to the Financial Institution itself or is contained in the Account Report, as explained below.

- **US FATCA**

In all circumstances, either a full or partial void, Isle of Man Financial Institutions should use the 'DocTypeIndic' code **FATCA3**. The Financial Institution will also need to include a specific 'CorrMessageRefId' which should be obtained from the Division.

The 'DocRefId' used in the original file should be entered in the 'CorrDocRefId' element, and a new unique 'DocRefId' must also be included.

The remaining content of the file, (ie the 'MessageSpec', 'ReportingFI', 'Sponsor' (if applicable) and 'AccountReport' sections of the report), should remain completely unchanged from the original submission.

**Fig 2 – US FATCA Void (Partial or Full)**

```
<ftc:FATCA>
<ftc:ReportingFI>
.....
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA3</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.FI.abc123def456.2017_Void</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.FI.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
</ftc:ReportingFI>
<ftc:ReportingGroup>
<ftc:AccountReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA3</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.AR.abc123def456.2017_Void</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.AR.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
```

Isle of Man Financial Institutions wishing to void all data previously submitted should ensure that the void file contains all of the records from the original submission.

Where an Isle of Man Financial Institution only wishes to void a specific record the file must still be schema valid, so should include the 'MessageSpec' and 'ReportingFI' section, with the 'Sponsor' section also included if it was in the original submission, but the 'AccountReport' should only contain the account records that need voiding.

▪ **CRS**

In the case of the CRS, if the entire CRS report needs to be deleted and replaced, **all** 'DocTypeIndic' elements should be set to **OECD3**.

All 'DocRefIds' used in the original file should be entered into the 'CorrDocRefId' elements, and a new unique 'DocRefId' must also be included. CRS XML files should never contain a 'CorrMessageRefId' element.

The remaining content of the file should be left completely unchanged from the original submission.

**Fig 3 – CRS Void (Full) – ReportingFI and AccountReport voided**

```
<crs:CrsBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD3</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.10.11_Void</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup>
<crs:AccountReport>
<crs:DocSpec>
<stf:DocTypeIndic>OECD3</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.AR.abc123def456.2017.10.11_Void</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.AR.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
```

If the CRS void relates to a specific Account Report, for example one account holder's record, the 'DocTypeIndic' element in the ReportingFI section of the report should be set to **OECD0** (Resend), as this data will remain unchanged from the original submission.

The 'DocRefId' should also remain unchanged from the original submission and there should be no 'CorrDocRefId' (please see Figure 4).

A partial void file should only contain the AccountReport records that need voiding and the 'DocTypeIndic' in this section of the report should be set to **OECD3**. The 'DocRefId' used in the original file should now be included in the 'CorrDocRefId' element, and a new unique 'DocRefId' must also be included.

The remaining ReportingFI and AccountReport data should be left unchanged from the original submission.

**Fig 4 – CRS Void (Partial) – Account Report Only being voided**

```
<crs:CrsBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD0</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:DocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup>
<crs:AccountReport>
<crs:DocSpec>
<stf:DocTypeIndic>OECD3</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.AR.abc123def456.2017.10.11_Void</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.AR.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
```

## **CORRECTING – US FATCA ONLY**

This process should only be used to correct a US FATCA submission when the Assessor has advised the Isle of Man Financial Institution that record level errors have been identified by the IRS, following the transfer of the original submission.

If this happens the Assessor will contact the Isle of Man Financial Institution to advise what errors have been identified and will open a new link within the Information Providers' Online Service to allow the Financial Institution to upload a new FATCA file, fixing the errors identified, as illustrated in Figure 5.

Some record level errors, if they are contained within the ReportingFI or Sponsor part of the report, require the entire file to be voided (see above) and then re-submitted as a new file (see below). If this is the case, the Assessor will advise accordingly.

### ▪ **How should the file be structured?**

The 'DocTypeIndic' element in each 'DocSpec' section of the FATCA report should be set to **FATCA2**.

The Isle of Man Financial Institution will also need to use the 'CorrMessageRefId' which will be provided by the Division.

The 'DocRefId' used in the original file should be entered in the 'CorrDocRefId' element, and a new unique 'DocRefId' must also be included.

**Fig 5 – FATCA Correcting**

```
<ftc:FATCA>
<ftc:ReportingFI>
.....
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA2</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.FI.abc123def456.2017_Correct</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.FI.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
</ftc:ReportingFI>
<ftc:ReportingGroup>
<ftc:AccountReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA2</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.AR.abc123def456.2017_Correct</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.AR.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
```

**CORRECTING (CRS) / AMENDING (FATCA)**

The process for correcting a CRS file is the same as the process for amending a FATCA file.

Isle of Man Financial Institutions should use this process when they have identified an issue in data they have submitted and that data has already been exchanged with the recipient jurisdiction.

▪ **US FATCA**

If an Isle of Man Financial Institution identifies an error that requires an amendment they should contact the Division immediately to advise why the amendment is required. A new link within the Information Providers’ Online Service will then be opened to allow an additional US FATCA report to be submitted, as illustrated in Figure 1.

The Isle of Man Financial Institution should prepare a new file containing all of the records that need to be amended, which must be valid, containing the ‘MessageSpec’, ‘ReportingFI’ ‘AccountReport’ and, if applicable, ‘Sponsor’ sections.

The ‘DocTypeIndic’ element in each ‘DocSpec’ section of the report should be set to **FATCA4**.

The Isle of Man Financial Institution will also need to use the ‘CorrMessageRefId’ from the original transmission, which will be provided by the Division.

The ‘DocRefId’ used in the original file should be entered in the ‘CorrDocRefId’ element, and a new unique ‘DocRefId’ must also be included.

Please note, the amendment process does not apply if the Isle of Man Financial Institution has been asked by the Assessor to correct any record level errors notified by the IRS; instead, a corrected report, following the process described in the previous section, must be submitted.

**Fig 6 – FATCA Amendment**

```
<ftc:FATCA>
<ftc:ReportingFI>
.....
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA4</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.FI.abc123def456.2017_Amend</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.FI.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
</ftc:ReportingFI>
```

```

<ftc:ReportingGroup>
<ftc:AccountReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA4</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.AR.abc123def456.2017_Amend</ftc:DocRefId>
<ftc:CorrMessageRefId>IM to US Original MessageRefId</ftc:CorrMessageRefId>
<ftc:CorrDocRefId>123456.00000.LE.833.AR.abc123def456.2017_Original</ftc:CorrDocRefId>
</ftc:DocSpec>
<ftc:AccountNumber>ABCD12345</ftc:AccountNumber>
<ftc:AccountHolder>

```

- **CRS**

If an Isle of Man Financial Institution is advised by the Assessor that the recipient jurisdiction/s have identified any record level errors in their report or the Financial Institution itself finds an error after the data has been transmitted they should follow the process outlined below.

Where the correction is in relation to AccountReport data and the ReportingFI data remains unchanged, the Isle of Man Financial Institution should submit the CRS correction file with the 'Resend' **OECD0** 'DocTypeIndic' in the ReportingFI section of the file, whilst all of the corrected AccountReport data should have the 'DocTypeIndic' set to **OECD2**.

Only the accounts that have been corrected should be included in the re-submitted file. Where a Resend is used in the ReportingFI section of the report, the original 'DocRefId' must be retained (as illustrated in Figure 7).

Where both the ReportingFI and Account Report data require corrections the 'DocTypeIndic' should all be set to **OECD2**. The 'DocRefId' used in the original file should now be entered in the 'CorrDocRefId' element, and a new unique 'DocRefId' must also be included (as illustrated in Figure 8).

If the ReportingFI data is the only data that needs correcting the correction file only needs to contain the ReportingFI section with an **OECD2** 'DocTypeIndic' (as illustrated in Figure 9) and the AccountReport section should not be re-submitted.

The ReportingFI 'DocRefId' used in the original file should now be entered in the 'CorrDocRefId' element, and a new unique 'DocRefId' must also be included.

In each of the above correction examples the Isle of Man Financial Institution should contact the Division to advise the reason for the correction and to enable a new return 'link' to be opened so that the corrected data file can be submitted using the Information Providers' Online Service.

**Fig 7 – CRS Correction (Account Report Only – ReportingFI unchanged)**

```

<crs:CrsBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD0</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:DocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup>
<crs:AccountReport>
<crs:DocSpec>
<stf:DocTypeIndic>OECD2</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.AR.abc123def456.2017.10.11_Correction</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.AR.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>

```

**Fig 8 – CRS Correction (Account Report and ReportingFI)**

```
<crs:CrsBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD2</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.10.11_Correction</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup>
<crs:AccountReport>
<crs:DocSpec>
<stf:DocTypeIndic>OECD2</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.AR.abc123def456.2017.10.11_Correction</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.AR.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
```

**Fig 9 – CRS Correction (ReportingFI Only)**

```
<crs:CrsBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD2</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.10.11_Correction</stf:DocRefId>
<stf:CorrDocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:CorrDocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup/>
</crs:CrsBody >
```

## **ADDITION OF NEW DATA**

Whilst the submission of new data for US FATCA and CRS is not a correction, Isle of Man Financial Institutions should note the following information which explains when the particular 'DocTypeIndic' codes FATCA1 and OECD1 are to be used.

- **When is new data required?**

The 'new data' 'DocTypeIndic' is most commonly used when submitting a FATCA or CRS data file for the first time but might also be used when a Financial Institution needs to replace an existing file in full that has yet to be transmitted to the recipient jurisdiction/s.

If the data has not yet been transmitted to the recipient jurisdiction/s and an Isle of Man Financial Institution identifies that they need to correct that data (or make any other change) after they have submitted it, the Assessor will ask for the amended file, in its entirety, to be re-submitted as a new file, replacing the original submission in full.

The file can include the original 'DocRefId' for all accounts, as this information is still considered new. The 'DocTypeIndic' should also be unchanged, set to either **FATCA1** or **OECD1** as applicable.

This process will generally apply to cases where the Isle of Man Financial Institution needs to amend the report and can do so before **31 August**.

- **New data in addition to already transmitted data?**

A Financial Institution that identifies missing account information that needs to be reported, after the Assessor has transmitted the original data to the recipient jurisdiction, will need to submit an

additional file containing the missing information, using the 'DocTypeIndic' set to either **FATCA1** or **OECD1** as applicable.

The Isle of Man Financial Institution should contact the Division to advise the reason for the omission and to enable a new return 'link' to be opened so that the missing data can be submitted using the Information Providers' Online Service.

**Isle of Man Financial Institutions are reminded of their legal obligations under the Isle of Man's FATCA and CRS Regulations and should note that penalties may be applied for non-compliance.**

- **US FATCA**

Isle of Man Financial Institutions needing to submit new FATCA data should submit the US FATCA file with **FATCA1** 'DocTypeIndic' in all applicable sections of the report (see illustration in Figure 10).

**Fig 10 – US FATCA New Data**

```
<ftc:FATCA>
<ftc:ReportingFI>
.....
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA1</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.FI.abc123def456.2017_New</ftc:DocRefId>
</ftc:DocSpec>
</ftc:ReportingFI>
<ftc:ReportingGroup>
<ftc:AccountReport>
<ftc:DocSpec>
<ftc:DocTypeIndic>FATCA1</ftc:DocTypeIndic>
<ftc:DocRefId>123456.00000.LE.833.AR.abc123def456.2017_New</ftc:DocRefId>
</ftc:DocSpec>
<ftc:AccountNumber>ABCD12345</ftc:AccountNumber>
<ftc:AccountHolder>
```

- **CRS**

Isle of Man Financial Institutions that wish to add data to a period for which they have already submitted data, should submit a CRS file with the 'Resend' code **OECD0** entered in the 'DocTypeIndic' element for the ReportingFI section of the report whilst any new Account Report data should have the corresponding 'DocTypeIndic' elements set to **OECD1**.

No other Account Report data should be re-submitted. Where 'Resend' is used in the ReportingFI section of the report, the original 'DocRefId' must be retained (see illustration in Figure 11).

**Fig 11 – CRS New Data**

```
<crs:CrBody>
<crs:ReportingFI>
.....
<crs:DocSpec>
<stf:DocTypeIndic>OECD0</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.FI.abc123def456.2017.06.07_Original</stf:DocRefId>
</crs:DocSpec>
</crs:ReportingFI>
<crs:ReportingGroup>
<crs:AccountReport>
<crs:DocSpec>
<stf:DocTypeIndic>OECD1</stf:DocTypeIndic>
<stf:DocRefId>C123456Q01.AR.abc123def456.2017.10.11_New</stf:DocRefId>
</crs:DocSpec>
```



## **FURTHER INFORMATION**

Further details of the correction processes for US FATCA and the CRS can be found in the relevant schema user guides found at the links below or by contacting the International Team at [aeoi.admin@itd.treasury.gov.im](mailto:aeoi.admin@itd.treasury.gov.im).

US FATCA - <https://www.irs.gov/businesses/corporations/fatca-xml-reporting-schema-to-correct-amend-and-void-records>

Common Reporting Standard - <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/schema-and-user-guide/>

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