



Tax Identification Number (TIN) Update

(This supersedes our previous release of May 12, 2023)

On December 30th, 2022, the United States Internal Revenue Service (“IRS”) released Notice 2023-11 (the “2023 Notice”) for foreign financial institutions (“FFI”) in jurisdictions with a Model 1 Intergovernmental Agreement (“IGA”) in place.

This Notice follows prior relief issued by the IRS in 2017, 2019, and 2021 that offered limited relief and additional time for FFIs and taxpayers to comply with requirements to obtain and report US TINs. Notably in 2021, the IRS developed a series of codes that a FFI could use to populate the TIN field (in the absence of having a US TIN to report in specified scenarios) for 2020 data reporting (“TIN Codes”). These can be found in FAQ 6 under “Reporting” at <https://www.irs.gov/businesses/corporations/frequently-asked-questions-faqs-fatca-compliance-legal#reporting>. The 2023 Notice provides further relief for the reporting calendar years of 2022, 2023 and 2024 which is limited to the reporting of US TINs relating to preexisting accounts.

To be eligible the FFI must:

- 1) obtain and report the date of birth of each account holder that is an individual and controlling person whose US TIN is not reported;
- 2) starting in the calendar year 2023, annually request from each account holder any missing required US TIN by using the method of communication that is, in the FFI’s reasonable judgment, most likely to reach the account holder. Moreover, the communication must include either:
 - a) the web address of the State Department’s Joint FATCA FAQs (<https://travel.state.gov/content/travel/en/international-travel/while-abroad/Joint-Foreign-Account-Tax-Compliance-FATCA-FAQ.html>); or
 - b) a copy of the FAQs described in the preceding bullet and either
 - (i) a copy of the relief procedures provided by the IRS for certain former citizens; or
 - (ii) the web address for these procedures (<https://www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens>);
- 3) starting in the calendar year 2023, annually search electronically searchable data maintained by the FFI for any missing required US TINs; and
- 4) report an accurate TIN Code for each account that is missing a required US TIN. (For reporting on the calendar year 2022 (due 31st May 2023), this condition may be satisfied by using either the TIN Codes issued by the IRS in May 2021 or updated TIN Codes issued in early 2023. For reporting on calendar years 2023 (due 31st May 2024) and 2024 (due

31st May 2025), this condition must be satisfied by using the most recent TIN Codes issued by the IRS.)

As a result of the Notice, the International Tax Authority (“ITA”) would like to advise reporting Financial Institutions (“RFIs”) that the BVI Financial Accounts Reporting System (“BVIFARs”) allows for the use of the updated TIN codes issued in the 2023 Notice and the TIN Codes issued by the IRS in May 2021.

The updated TIN Codes and related scenarios are as follows:

- 222222222 Preexisting individual accounts with only U.S. indicia being a U.S. place of birth, other than an account reported under code 000222111. This code takes precedence if any other code (other than 000222111) could also be applicable.
- 000222111 Preexisting depository individual account with only U.S. indicia being a U.S. place of birth. Additionally, FFI must determine that the account holder is a resident of the jurisdiction where the account is maintained for AML and tax purposes. For reference, “depository account” has the meaning defined in the applicable Model 1 Intergovernmental Agreement (Model 1 IGA). This code takes precedence if any other code could also be applicable.
- 333333333 New individual accounts that:
 - (1) has indicia of a U.S. place of birth, and
 - (2) either:
 - (a) has a change in circumstances causing the self-certification originally obtained at account opening to be incorrect or unreliable, and a new self-certification has not been obtained, or
 - (b) was below the threshold for documenting and reporting the account at the time of account opening and subsequently exceeded the threshold, and a self-certification has not been obtained.
- 444444444 Preexisting individual or entity account that:
 - (1) has U.S. indicia other than a U.S. place of birth, and
 - (2) either:
 - (a) has a change in circumstances that either results in one or more U.S. indicia being associated with the account or causes a self-certification or other documentation originally obtained to be incorrect or unreliable, and a valid self-certification or other documentation has not been obtained subsequent to the change in circumstances, or
 - (b) was below the threshold for documenting and reporting the account on the determination date provided in the applicable Model 1 IGA and

subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.

- 555555555 New individual or entity account that:
 - (1) has a U.S. indicia other than a U.S. place of birth, and
 - (2) either:
 - (a) has a change in circumstances causing the self-certification or other documentation originally obtained to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained, or
 - (b) was below the threshold for documenting and reporting the account at the time of account opening and subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.
- 666666666 Preexisting entity account held by a passive NFFE with one or more controlling persons with respect to which self-certifications have not been obtained, and no U.S. indicia have been identified in relation to any controlling persons.
- 777777777 Dormant Accounts – For pre-existing accounts where there is no TIN available and the account has been dormant or inactive, but remains above the reporting threshold, also known as a “dormant account.” A “dormant account” is one that meets the definition set out in U.S. Treasury Regulations §1.1471-4(d)(6)(ii) and had had no financial activity for three years, except for the posting of interest. If an account could be classified into multiple TIN codes, the other code takes precedence.
- 999999999 Any account for which the FFI cannot obtain a TIN and none of the other TIN codes would be applicable. The use of this code indicates that an FFI has completed its review of accounts without U.S. TINs and has in good faith applied TIN codes to records when applicable.

It is important to note that the inclusion of these TIN Codes will not avoid the automatic generation and transmission of an error notification to indicate the entry is invalid. Where such an error notification is received and a correct TIN is not provided, the U.S. will evaluate the data received (including whether the RFI complies with the conditions set forth in the 2023 Notice and whether there is significant non-compliance based on the facts and circumstances. A determination of significant non-compliance will result in compliance measures being initiated by the ITA.

For further information, questions or concerns please feel free to contact us via the following means: telephone number: 1 284 394- 4415, email address: Info@bviita.vg.