

FAHTCAweekly

Breaking News –Notice 2014-33

05 May 2014

Dear Reader,

On 2 May the IRS released Notice 2014-33 (available [here](#)), announcing the following key items:

- Generally, the years 2014 and 2015 will be regarded as a transition period for FATCA enforcement and during this period the IRS will abide errors and defects in FATCA compliance to the extent that they are not products of bad faith, essentially declaring a “soft launch” to FATCA compliance;
- Specifically, new entity accounts do not need to be on-boarded pursuant to the FATCA on-boarding requirements until 1 January 2015 so that all entity accounts opened between 1 July 2014 and the end of the year will be treated as pre-existing accounts and thus subject to identification and documentation within the relevant pre-existing entity account timelines (typically, two years).
 - **Please note:**
 - This relief does not apply to new individual accounts; and
 - No other deadlines (for account due diligence, withholding or reporting) shifted.
- Limited FFIs and branches prohibited from registration due to directives issued by local regulators no longer need to register by name, but may register by alternative identifying characteristics, so long as certain conditions are met.

We welcome the crucial relief and encourage our readers to regard the good faith enforcement provision as a rationale to continue documenting their decision-making on FATCA-related topics, while taking some comfort that the IRS will tolerate good faith misjudgments out of deference to the complexity of the FATCA regime.

Regards,

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