

Operational Tax News

CRS / FATCA / QSL updates

18 January 2018

Publication of new CRS-related FAQs

In December 2017, the OECD published new CRS-related [FAQs](#):

- FAQ 11 in Section 1 – this section clarifies the reporting obligations of Reporting Financial Institutions that are in the process of being liquidated.
- FAQ 22 and FAQ 26 in Section II-VII – Those sections address timing to obtain self-certifications and provide guidance on the applicable ownership thresholds when determining the controlling persons of an entity in jurisdictions that have established a threshold below 25% for AML/KYC purposes
- FAQ 10 and 11 in Section VIII (C) – This section provides guidance on the treatment on accounts held by condominium of housing cooperative, as well as, indirect distributions by a trust for CRS purposes.

For more details, please find [enclosed](#) the tax alert prepared by our US colleagues highlighting the main changes.

Publication of new FATCA-related FAQs

On December 19, 2017, the IRS published three new questions to the [FATCA FAQs](#) webpage, clarifying the following points:

- whether a qualified intermediary (QI) has reason to know that Form W-8 is unreliable or incorrect if the QI has a current US residence or US mailing address as part of its account information;
- whether a QI may rely on additional documentation for purposes of treating documentation on the claim of treaty benefits as valid under 2017 QI agreement, when the QI has reason to know that the documentary evidence underlying such claim is unreliable or incorrect; and
- Providing additional guidance about the status of the approved know-your-customer (KYC) attachments to the 2017 QI, foreign withholding partnership (WP) and foreign withholding trust (WT) agreements.

For more details, please find [enclosed](#) the tax alert prepared by our US colleagues highlighting the main changes.

Transition rules on QSL regime extended by Notice 2018-05

On December 22, 2017, the IRS released [Notice 2018-05](#) under which withholding agents may apply transition rules of Notice 2010-46, Part III, (Transition Rules) for U.S. source substitute dividend payments made in 2018 and 2019 pursuant to a securities lending or stock sale repurchase agreement.



For more details, please find [enclosed](#) the tax alert prepared by our US colleagues highlighting the main changes.

If you have any questions regarding the above, please do not hesitate to contact us.

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