



On 12 January 2015, the IRS launched a web portal enabling information exchange for the purposes of satisfying FATCA reporting requirements.

The IDES system (International Data Exchange Service) allows financial institutions to transmit reporting files in .xml format entered into Form 8966¹ to the IRS. For such purposes, financial institutions will have to obtain a digital certificate² required for registration, create an account, and complete the registration process.

More detailed information on using the system is contained in the draft user guide published on the official IRS website:

<http://www.irs.gov/pub/fatca/p5190idesuserguide.pdf>

On 17 December 2014, the IRS published an update to the Instructions for Form 8966.

The update is related to the specific reporting rules for 2014. According to the changes, accounts held by a Nonparticipating FFI should not be reported for 2014. Reporting on such clients will be obligatory from 2015.

The changes have also affected reporting on accounts closed during the calendar year. The report for 2014 should contain amounts withdrawn/transferred as a result of account closure in the corresponding section of Form 8966.

For more information on the changes, please refer to the official IRS website:

<http://www.irs.gov/Businesses/Corporations/Update-to-the-Instructions-for-Form-8966-For-2014>

¹ For more detailed information on how to create reporting files in .xml format please refer to the official IRS web site: <http://www.irs.gov/Businesses/Corporations/FATCA-XML-Schemas-and-Business-Rules-for-Form-8966>

² Digital certificate must be issued by one of the approved certificate authorities included in official list published on the IRS web site: <http://www.irs.gov/Businesses/Corporations/Digital-certificates>



FATCA reporting offering.

Key challenges related to FATCA reporting.

Starting from 2015, Russian financial institutions will have to report the financial accounts of certain clients to the IRS.

During the process of report preparation, financial institutions could face the following difficulties:

- Requirements are continuing to change – the IRS issues reporting-related updates several times per month
- Complex technical rules related to reporting with no comparable process in the RF
- Procedure to report to Russian authorities in order to comply with the rules established by 173-FZ has not yet been established
- The solution should be adopted within tight deadlines in order to be in compliance with the reporting requirements for 2015

How can we help?

We can provide recommendations on filling out Form 8966:

- Instructions on filling out each part of the form
- Information about the type of income that should be included in the report
- Special rules for reporting recalcitrant account holders and Nonparticipating FFIs
- Information about how to amend or correct the report
- Information about reporting timelines depending on the client's FATCA status

We can provide technical assistance during the reporting process:

- System architecture analysis
- Assistance in obtaining digital certificate and registration on the IDES portal
- Preparation of reporting files in .xml format
- Assistance in reporting to the IRS

Our team is currently involved in large FATCA implementation projects in Russian banks and has wide experience in interpreting U.S. tax law. Please do not hesitate to contact us on questions related to FATCA reporting.

Contacts

Tax & Legal	Financial Advisory	Strategy & Operations
<p>Grigory Pavlotsky Partner +7 (495) 787 06 00 ext. 2102 gpavlotsky@deloitte.ru</p>	<p>Alexander Sokolov Partner +7 (495) 787 06 00 ext. 3095 alsokolov@deloitte.ru</p>	<p>Maxim Lubomudrov Partner +7 (495) 787 06 00 ext. 3093 mlubomudrov@deloitte.ru</p>
<p>Gennady Kamyshnikov Partner +7 (495) 787 06 00 ext. 2092 gkamyshnikov@deloitte.ru</p>	<p>Rustam Mukhametshin Senior Manager +7 (495) 787 06 00 ext. 5056 rmukhametshin@deloitte.ru</p>	<p>Christopher Armitage Director +7 (495) 787 06 00 ext. 5335 carmitage@deloitte.ru</p>
<p>Alexander Sinitsyn Director +7 (495) 787 06 00 ext. 2099 asinitsyn@deloitte.ru</p>		
<p>International contacts</p>		
<p>Denise Hintzke Director, Global FATCA Tax Leader Deloitte Tax LLP +1 (212) 436 4792 dhintzke@deloitte.com</p>	<p>Anne Mericle Global FATCA PMO Senior Manager Deloitte Tax LLP +1 (212) 436 3908 americle@deloitte.com</p>	

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/ru/about for a detailed description of the legal structure of Deloitte CIS.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte has in the region of 210,000 professionals, all committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.