



Comparing key milestones for FATCA, UK-CDOT, and CRS

Includes requirements released in IRS Notice 2015-66 & 2016-08

		2016				2017				2018				2019	2020
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1-4	Q1-4
FATCA	USWA		✓ Jun 30 Pre-existing account holder remediation needs to be completed			✓ Jan 1 Begin withholding on certain offshore obligations of US source income								✓ Jan 1 Begin withholding on gross proceeds payments ¹	✓ Mar 15 Begin reporting on gross proceeds made to recipients on Form 1042-S ¹
	FFI	✓ Mar 31 (Varied for Model 1 Jurisdictions) Begin US account holder / owner income reporting for 2015 on Form 8966	✓ Jun 30 Pre-existing account holder remediation needs to be completed	✓ Sep 30 Jurisdictions that have signed or agreed in substance on the text of Model 1 IGA to have exchanged and reported information for 2014 and 2015		✓ Jan 1 End of transition period for Limited FFIs / Limited branches (except for those owned by branches of an IGA Reporting FFI)				✓ Jan 1 [Per Notice 2015-66] Sponsored FFIs required to obtain their own GIIN	✓ Mar 31 (Varied for Model 1 Jurisdictions) Reporting on gross proceeds made to recipients begins on Form 8966			✓ Mar 15 FFIs begin reporting on foreign passthru and gross proceeds payments made to recipients on Form 1042-S ^{1,3}	✓ July 1 Responsible officer certification of completion of due diligence procedures and first instance of three-year recurring certification that FFI has effective internal controls ²
CRS	Early Adopter ⁵	✓ Jan 1 Account holder CRS onboarding processes must be in place				✓ Jan 1 First year to notify reportable individual account holders ⁴				✓ Sep 30 Competent authorities to have completed exchange of information			✓ Jan 1 First year for reporting all preexisting accounts		
	Non-Early Adopter					✓ Dec 31 Due diligence for preexisting high-value individual accounts complete							✓ Dec 31 Due diligence for preexisting low value individual and all entity accounts complete		
						✓ Jan 1 Depending on Jurisdiction. Starting date for reporting of all new accounts and high value preexisting individual accounts for calendar year 2016 (actual date depending on jurisdiction)									
						✓ Jan 1 Account holder CRS onboarding processes must be in place							✓ Jan 1 First year to notify reportable individual account holders ⁴	✓ Sep 30 Competent authorities to have completed exchange of information	✓ Jan 1 First year for reporting all preexisting accounts
													✓ Dec 31 Due diligence for preexisting high-value individual accounts complete		✓ Dec 31 Due diligence for pre-existing low value individual and all entity accounts complete
													✓ Jan 1 Depending on Jurisdiction. Starting date for reporting of all new accounts and high value preexisting individual accounts for calendar year 2016 (actual date depending on jurisdiction)		
	UK-CDOT		✓ May 31 UK-CDOT reporting by financial institutions for CY2014 and 2015 due to HMRC												
															✓ Jun 30 Due diligence for individual and entity accounts complete

1. Notice 2015-66 does not explicitly reference amendments to Form 1042-S reporting date.

2. Notice 2016-08 modifies the date for preexisting account certifications, making it the same date as the first certification by the Responsible Officer of a participating FFI's effective internal controls. The FFI Agreement states that "[a] participating FFI is required to adopt a compliance program under the authority of the responsible officer of the participating FFI or, in the case of a participating FFI that adopts a consolidated compliance program under the requirements of §1.1471-4(f)(2)(ii), under the authority of the responsible officer of a compliance FI. A participating FFI's compliance program must include policies, procedures, and processes sufficient for the participating FFI to satisfy the due diligence, reporting, and withholding requirements of this agreement. A participating FFI must also perform, or have performed on its behalf, a review of its compliance with this agreement for the certification period (described in §1.1471-4(f)(3))."

3. Notice 2015-66 provides that the date for withholding on foreign pass thru payments may be further extended through publication of the regulatory amendments to chapter 4.

4. "Only applies to some jurisdictions. In the case of EU Member States Reporting Financial Institutions under their jurisdiction are required to (i) inform individual reportable persons that their information will be collected and transferred and (ii) provide to those individuals all information that they are entitled to under its data protection domestic legislation in sufficient time for the individual to exercise his data protection rights and, in any case, before the Reporting Financial Institutions report the information to their competent authority."

5. Jurisdictions committed to automatically exchange information by 2017

The information exchange landscape

Coming years will see increasing global transparency of account holder information requiring global scalable solutions



US FATCA

2015 onward

- US accounts in non-US Financial Institutions (“FIs”) reported to IRS; or
- To local authority under an Intergovernmental Agreement (“IGA”)
- Most foreign trusts had to register as FFIs

UK-CDOT

2016 onward

- UK accounts in Crown Dependencies (CDs) and Overseas Territories (OTs) reported to local competent authority
- Jersey, Guernsey, Isle of Man and Gibraltar accounts in UK FIs reported to HMRC

OECD CRS

2017 onward

- Global initiative led by OECD to increase tax transparency
- Global network of agreements between 93+ jurisdictions
- Accounts in counterparty jurisdictions report on an annual basis to local governments



Increasing number of practical challenges

- Filing multiple returns covering reportable accounts
- Managing relationships with multiple authorities and complying with data privacy laws
- Ensuring reports are filed in respect of all FIs and in the correct format

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