

# Inland Revenue FATCA validations (updated draft)

From April 2018, New Zealand financial institutions with FATCA obligations will register and report to Inland Revenue in myIR.

Inland Revenue will be applying the Foreign Account Tax Compliance Act (FATCA) validations outlined in this document when receiving FATCA disclosures.

## Virus scan and security threats

We will reject files containing viruses or security threats (such as hyperlinks, Java scripts and executable files).

## FATCA schema

We will reject files that do not conform to the FATCA XML schema. The FATCA schema is available at [www.irs.gov/businesses/corporations/fatca-xml-schemas-and-business-rules-for-form-8966](http://www.irs.gov/businesses/corporations/fatca-xml-schemas-and-business-rules-for-form-8966)

## Maximum file size

We will reject any files that exceed the maximum file size of 350mbs (XML upload) or 1000 account records (Excel upload).

## Invalid sending company

The SendingCompanyIN element must contain the Global Intermediary Identification Number (GIIN) for the entity who is submitting the information. The Sending Company will differ from the Reporting FI if the disclosure is submitted by a Sponsor, Trustee or Service Provider on behalf of the financial institution.

## Incorrect transmitting or receiving country

The value in the TransmittingCountry and ReceivingCountry elements must be NZ.

## Missing contact information

The Contact element must be completed with the contact details that Inland Revenue can use if they have any questions about the information provided.

## Reporting period

The New Zealand reporting period will always end on the 31<sup>st</sup> March.

## Reporting group elements provided incorrectly

Only one ReportingFI element can be provided in each disclosure. The Intermediary and PoolReport elements must not be used for FATCA reporting.

## Nil reports

The NilReport element may be used to indicate that the reporting financial institution has no accounts to report.

## Mismatch between document type indicators

Only one type of DocTypeIndic value can be used within a disclosure. A combination of new, corrected, amended or void data records must not be used within the same disclosure.

## **Document type indicators used incorrectly**

When a DocTypeIndic value of 'FATCA3' (void data) is used, then none of the corresponding ReportingFI/AccountReport information should have changed from the previous record submitted. Conversely, if a DocTypeIndic value of 'FATCA2' (corrected data) or 'FATCA4' (amended data) is used, then at least one of the ReportingFI/AccountReport element values should have changed from the previously submitted record.

A DocTypeIndic value of FATCA2 (corrected data) must only be used when the IRS has sent a notification requesting that the record is corrected.

## **Missing or incorrect message reference IDs**

The MessageRefId element must be a unique value and must not match any previously submitted MessageRefId values. Only one MessageRefId value must be used in the disclosure.

The MessageRefId value must be provided in the format [Reporting FI GIIN].[Unique ID]. For example ABCDEF.99999.LE.554.00001

## **Corresponding message reference ID provided incorrectly**

The CorrMessageRefId element must only be used when correcting, amending or voiding previously submitted information. The CorrMessageRefId must always match to a previously submitted MessageRefId.

The CorrMessageRefId value must only be used once and must not have been used to correct the same record previously. For example, when correcting a corrected file, the CorrMessageRefId should reference the previous file rather than the original disclosure.

## **Missing or incorrect document reference IDs**

The DocRefId value must be provided in the format [Reporting FI GIIN].[Unique ID]. For example ABCDEF.99999.LE.554.00001.

The DocRefId element must be a unique value and must not match any DocRefId values previously submitted.

The DocRefID must not include any non-alphanumeric characters, excluding periods and dashes. Prohibited non-alphanumeric characters include but are not limited to \_, @, , &, ! and \*.

## **Corresponding document reference ID provided incorrectly**

The CorrDocRefId element must only be used when correcting, amending or voiding previously submitted information, and must always match to a previously submitted DocRefId.

The CorrDocRefId value must only be used once and must not have been used to correct the same record previously. For example, when correcting a corrected file, the CorrDocRefId must reference the previous file rather than the original disclosure.

## **Incorrect TIN**

The sponsor (if a sponsor is provided) and reporting financial institution TIN must always be provided and must match the format for a GIIN issued by the IRS. The reporting financial institution TIN should match the GIIN associated to the myIR account that the disclosure is being uploaded to.

Individual TINs must match the format for a U.S. Social Security Number (SSN) or individual taxpayer identification number (ITIN).

If a TIN is unknown, an A can be used nine times (AAAAAAAAA) in the TIN element instead, providing the NZ financial institution:

1. Reports the date of birth of the individual account holder/controlling person
2. Request the account holder annually for the missing U.S. TIN; and
3. Before reporting their information for the period ended 31 March 2018, searches electronically searchable data maintained by the NZFI, for any missing U.S. TINs.

Blank TIN fields and generic TIN values that have previously been used by NZ financial institutions (such as '99','000000000' and '999999999') will be rejected.

## **Birth information provided incorrectly**

The BirthDate is the only sub-element within the BirthInfo element that can be provided for FATCA reporting. The earliest BirthDate value that will be accepted is '1900-01-01'.

A BirthDate must only be reported if the financial institution does not hold the U.S. TIN for that person.

## **Resident country codes**

At least one of the reportable account holder or substantial owner's ResCountryCode values must be 'US'.

## **Incomplete address information**

When using the AddressFix element, the Street, City and Country information must be provided. When using the AddressFree element, the AddressFree and Country information must be provided.

## **Incorrect account number types**

When an account number type attribute is used, then this must match the account number format provided. For example, when the AccountNumber AcctNumberType attribute is 'OECD601' (IBAN), then the AccountNumber value must follow an IBAN format. When the AcctNumberType attribute is 'OECD603' (ISIN) then the AccountNumber value must meet the ISIN format.

The account number type attribute can only be used for the reporting period 31 March 2017 onwards.

## **Reporting financial institution details**

The identification details for the reporting financial institution must match the details that Inland Revenue holds. The TIN provided must be the GIIN that was provided to us at enrolment. The country of residence for a financial institution reporting to Inland Revenue must be NZ.

## **Filer category**

The Reporting financial institution filer category must only be provided if there is no Sponsor element present. If the disclosure contains Sponsoring entity details, then the Sponsor filer category must be provided instead. A filer category is required for the period ending 31 March 2017 and thereafter.

A reporting New Zealand financial institution must only be reported with a filer category of Registered deemed-compliant (FATCA602).

A sponsoring entity must only be reported as a Sponsoring Entity of a Sponsored FFI (FATCA607) or the Trustee of a Trustee-Documented Trust (FATCA609).

## **Incorrect or missing substantial owner information**

The Substantial owner element must be provided when the account holder is an organisation with an AcctHolderType of FATCA102 ('Passive NFE with substantial US owners(or controlling persons under an applicable IGA)'). Account holder types of 'Non-participating FFI' and 'Specified US person' must not have substantial owner information reported. The remaining account holder types of 'Owner documented FFI' and 'Direct reporting NFFE' should not be used in FATCA reporting to Inland Revenue.

## **Unused elements**

The Nationality, PaymentTypeDesc, CARRef and AdditionalData elements must not be used for FATCA reporting.

## **Unused attributes**

The nameType attribute must not be used for FATCA reporting. The AccountClosed and AcctNumberType attributes must not be used for periods ending prior to 31 March 2017.