



Fiscal Reporting Compliance Newsletter

2024 – 03

(March)



1 Update - EU List of non-cooperative jurisdictions for tax purposes

EU Council removed **Bahamas, Belize, Seychelles** and **Turks and Caicos Islands** from the list of non-cooperative jurisdictions for tax purposes. With these updates, the EU list consists of the following 12 jurisdictions:

- American Samoa
- Anguilla
- Antigua and Barbuda
- Fiji
- Guam
- Palau
- Panama
- **Russia**
- Samoa
- Trinidad and Tobago
- US Virgin Islands
- Vanuatu

Reasons for removing jurisdictions from the list

EU list of non-cooperative tax jurisdictions (Annex I) includes countries that either have not engaged in a constructive dialogue with the EU on tax governance or have failed to deliver on their commitments to implement the necessary reforms. Those reforms should aim to comply with a set of objective **tax good governance criteria**, which include **tax transparency, fair taxation** and implementation of international standards designed to **prevent tax base erosion and profit shifting**.

Concerning **Bahamas and Turks and Caicos Islands**, ever since October 2022, deficiencies in the enforcement of economic substance requirements had been identified in both of these jurisdictions by the OECD Forum of Harmful Tax Practices (FHTP). In the FHTP's most recent assessment, the recommendations to both jurisdictions to remedy these deficiencies were converted from "hard" to "soft" recommendations, which allowed the Code of Conduct Group to consider these jurisdictions compliant with the standard for jurisdictions with no or only a nominal corporate income tax.

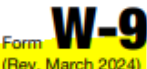
Impact on RBI Group: Please consider these updates in your local DAC6 policies if they are under the FRC responsibility.

2 Updated Form W-9

As already communicated in the 2023 FRC Forum, IRS finally released final [updated version of Form W-9 \(Rev. March 2024\)](#). Note that IRS allows the use of older versions of W Forms for only **6 months after the revision date shown** on a more recent published version effectively giving us until September 1st, 2024 to discontinue using the prior 2018 versions.

Within RBI Group, we all should proceed with **strict approach** and should not allow accepting old (Rev. Oct. 2018) versions from your customers after **30th June 2024**.

For more details on the changes related to the Form please see the [accompanying instructions](#).

 Form W-9 (Rev. March 2024) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification Go to www.irs.gov/FormW9 for instructions and the latest information.	Give form to the requester. Do not send to the IRS.
Before you begin. For guidance related to the purpose of Form W-9, see <i>Purpose of Form</i> , below.		

3 GIIN's

Recent analysis of FATCA GIINs reveals intriguing trends in their issuance and retention. Between November 2020 and January 2024, there was a notable 17.4% increase in GIINs, bringing the total to **452,205**. However, this growth is not without nuance, as it disregards losses incurred during the same period. Delving deeper, it becomes evident that while 78,633 GIINs were added, 66,638 previously listed GIINs have since disappeared. Consequently, the net increase stands at a modest 11,995.

The disappearance of GIINs raises questions regarding their fate and underlying causes. Some may have been revoked by the **IRS due to non-compliance**, while others may have been de-registered following changes in circumstances. Notably, certain jurisdictions, such as Argentina, necessitate GIIN deletion and re-registration upon transitioning to a reporting Model 1 IGA FFI status.

Among the affected jurisdictions, Cayman witnessed the loss of 13,000 GIINs, followed by Brazil with 8,835, and the UK with 3,293. Insights into the reasons behind GIIN loss, particularly from the IRS, could provide valuable FATCA compliance understanding and inform strategic decision-making.



4 IRS - FATCA

IRS extended the periodic certification deadlines for QIs.

The IRS issued a [release](#) announcing the date to submit either periodic certification or an application for waiver of the periodic review requirement has been extended for any qualified intermediary (QI), withholding foreign partnership (WP), and withholding foreign trust (WT) with a periodic certification due in 2024.

The due date for entities selecting periodic review years 2021 or 2022 or submitting a waiver application is extended from July 1, 2024, to September 1, 2024, and the due date for entities selecting periodic review year 2023 is extended from December 31, 2024, to March 1, 2025. These extensions are automatic and do not require the filing of a request for extension with the IRS. The link to the 2024 certifications in QAAMS will be available later in 2024.

Notice 2024-26: Administrative exemption from requirement to electronically file Form 1042

The IRS released [Notice 2024-26](#) announcing that withholding agents (both U.S. and foreign persons) are administratively exempt from the requirements to electronically file Forms 1042, *Annual Withholding Tax Return for U.S. Source Income of Foreign Persons*, required to be filed in calendar year 2024.

In addition, withholding agents that are foreign persons are administratively exempt from the requirements to electronically file Forms 1042 required to be filed in calendar year 2025.

Potential FATCA impacts of changes to Hungary and Chile treaty statuses

FATCA intergovernmental agreements (IGAs) between the United States and foreign jurisdictions are typically premised on the automatic exchange of information called for in the income tax treaties between the countries, and accordingly changes to the status of an income treaty can impact the status of the corresponding IGA. The income tax treaty between the United States and Hungary was recently terminated, while the income tax treaty between the United States and Chile recently entered into force.

Read a [January 2024 report](#) prepared by KPMG LLP that discusses how these changes could have substantial FATCA impacts on residents of these countries as well as the counterparties they deal with.

IRS announces changes to QI / WP / WT FAQs website

The IRS yesterday announced changes to the qualified intermediary (QI), withholding foreign partnership (WP), and withholding foreign trust (WT) "frequently asked questions" (FAQs) [website](#). Specifically, FAQs Q23 and updated Q24 have been removed from the [Certifications and periodic reviews](#) section and are now under the new [Provisions for 2023 QI agreement](#) section, renumbered as FAQs Q1 and Q2, respectively. Read the [IRS release](#) (January 10, 2024)

5 Switzerland: Negotiations to switch from FATCA Model 2 to Model 1 completed

The State Secretariat for International Finance (SIF) of Switzerland in released an update announcing the finalization of the negotiations to transition from non-reciprocal FATCA Model 2 IGA (Intergovernmental Agreement) to reciprocal FATCA Model 1 IGA for the automatic exchange of tax information between Switzerland and the United States.

Switzerland originally signed a FATCA Model 2 IGA with the United States in June 2014, which required Swiss financial institutions to directly disclose account details to the U.S. tax authority (Internal Revenue Service (IRS)) with the consent of the relevant U.S. clients. In cases when consent is not granted by U.S. clients, the United States must request this data through regular administrative assistance channels. Switzerland had previously indicated its intention to switch to Model 1.

The Federal Council in October 2014 approved the negotiation mandate with the United States for the switch to Model 1 IGA.

Negotiations were finally concluded on 13 November 2023 and preparations for the signing are currently in progress. Once implemented, Switzerland will receive account details from the IRS.

Impact on RBI Group: As soon as Swiss Model 1 IGA is in Force, all collected W-8BEN-E Forms from Swiss Financial Institutions must be renewed to reflect the change FATCA of their corresponding status: e.g. Reporting Model 2 FFI to Reporting Model 1 FFI.

Reporting Model 1 FFI.

Reporting Model 2 FFI.

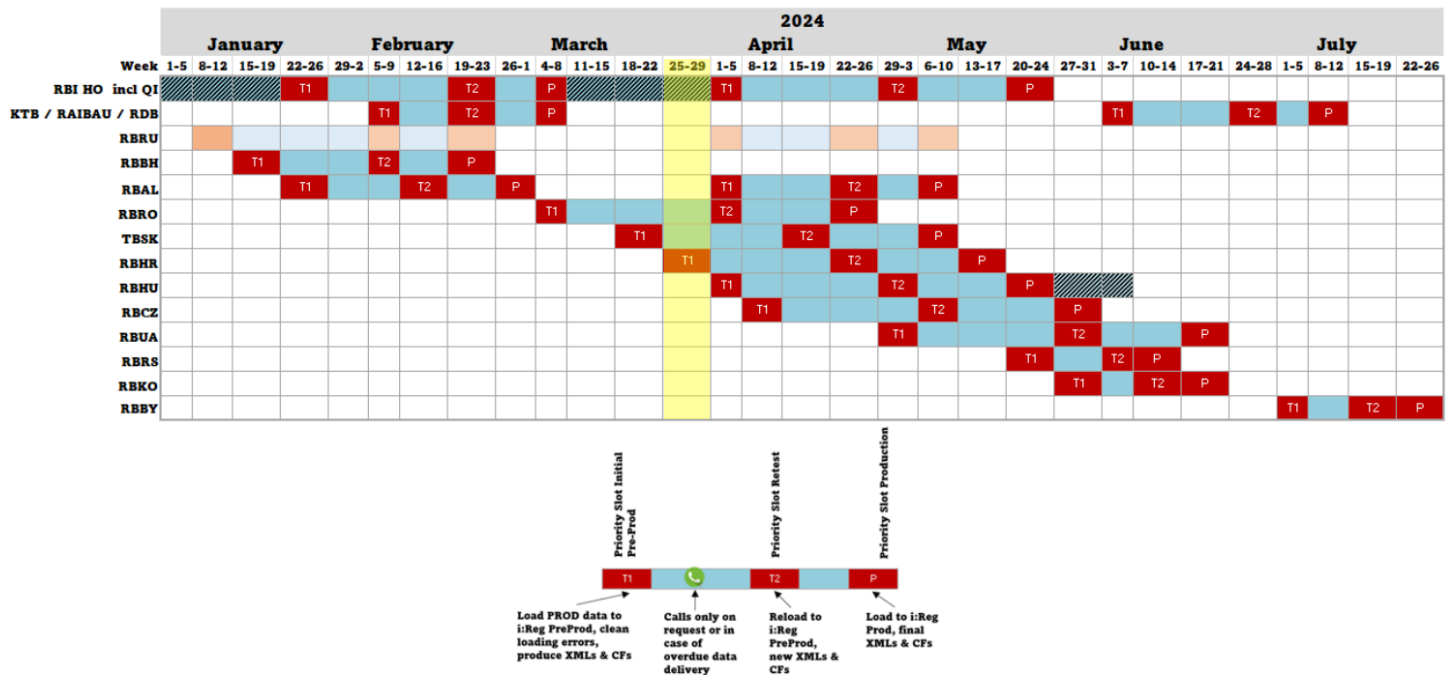


6 2024 FRC Group Masterplan!

As communicated in the [2024 RBI Group FRC MASTERPLAN](#), we are currently in a very intensive stage of our reporting period. Your adherence to the masterplan deadlines and proactive submission of reports is very much appreciated.

Based on past experience, please do not underestimate and finalize your HVA **Relationship Manager Inquiry** annual process until the **15th June** (internal Group deadline). This is not a voluntary process but an essential part of your FATCA/CRS Compliance Program. We already know from the IRS input that not adhering to this deadline constitutes a "material failure" and therefore endangers the compliance status of the Group!

Here is the detailed overview (with exact dates) about the upcoming reporting priority slots for each NWU:



7 TaxTag / Capture Updates

We are excited to share some important updates and enhancements regarding **TaxTag** and **Capture**, which will significantly impact our operations and processes. These changes are designed to improve efficiency, streamline operations, and enhance our regulatory requirements, specifically in CRS and FATCA.

TaxTag

New CRS/FATCA Classification in Neuron/Cortex: As part of our ongoing efforts to enhance our compliance systems, we are migrating Norkom to Version 9.x. **This update will move the new CRS/FATCA classification engine to Neuron/Cortex**, offering improved functionalities and a more robust platform.

IT Development Progress: Our IT colleagues have already developed the necessary "common" functions required for both CRS and FATCA and will now focus on developing the FATCA-specific functions. We anticipate the completion of the FATCA functions by the **end of April/Beginning of May 2024**, with CRS functions expected to be finalized by the **end of September 2024**.

Therefore, to ensure the seamless integration and functionality of these updates, **end-to-end testing will commence this fall**, marking a critical milestone in our project timeline. Your involvement and participation during the testing period is expected and should be highly prioritized. More concrete information about your participation will be communicated in the coming period.

Addressing Key Issues: Throughout this project, we are also committed to addressing critical issues such as "Norkom never forgets" and implementing automatic GIIN checks for all.



Capture

We are pleased to introduce a new list management tool that will replace the current Excel lookup tables. This tool will significantly enhance our data management capabilities, offering improved accessibility and functionality.

As we transition to the new list management tool step by step, we will continue maintaining Lookup Tables which are already in Capture in Excel too. However, local FRC officers will already have direct access to Capture and will be able to view all "Areas" and propose and approve local (CRS/FATCA) value changes (Four-Eyes Principle), streamlining the approval process and ensuring efficient management. You will also be able to propose Default Value Changes but we as RBI HO FRC will be the only ones who can approve those proposals.

Capture will already be used from now on in connection with Norkom. Unlike Neuron/Cortex, Norkom is not able to stream data in real-time, which is why we will continue to transfer all LKP-changes to Norkom on a monthly basis.

User Manual and Training:

To facilitate a smooth transition, **we will organize demos and training sessions** for you, ensuring that everyone is well-equipped to leverage the full potential of Capture.

We are excited about these developments and are committed to ensuring a seamless transition. If you have any questions or require further information, please do not hesitate to reach out to us via frc@rbinternational.com or directly to Andrew.Saleh@rbinternational.com

We look forward to the positive impact these enhancements will have on our operations and are confident that they will contribute to a more efficient and effective compliance framework.

Screenshot of the Capture User interface referring to LKP_Country table:

LKP_COUNTRY	UNIT	COUNTRY_CODE	COUNTRY_NAME	FATCA_CODE	FATCA_USA_CODE	CRS_CODE	CRS_PARTICIPATING_JURISD_FLAG	CRS_REPORTING_JURISD_FLAG
176	VIENNA	CN	China (Peoples Republic of China)	STD	1	STD	Y	Y
177	VIENNA	CO	Colombia	STD	1	STD	Y	Y
178	VIENNA	CR	Costa Rica	STD	1	STD	Y	Y
179	VIENNA	CS	ex. Czechoslovakia + ex. Serbia and Montenegro	STD	-	STD	-	-
180	VIENNA	CT	Canton and Enderbury Islands (now: Kiribati)	STD	-	STD	-	-
181	VIENNA	CU	Cuba	STD	-	STD	-	-
182	VIENNA	CV	Cape Verde	STD	1	STD	-	-
183	VIENNA	CW	Curacao	STD	1	STD	Y	Y
184	VIENNA	CX	CHRISTMAS ISLAND	STD	-	STD	-	-
185	VIENNA	CY	Cyprus	STD	1	STD	Y	Y
186	VIENNA	CZ	Czech Republic	STD	1	STD	Y	Y
187	VIENNA	DD	German Democratic Republic (now: Germany)	STD	1	STD	-	-
188	VIENNA	DE	Germany	STD	1	STD	Y	Y
189	VIENNA	DJ	Djibouti	STD	-	STD	-	-
190	VIENNA	DK	Denmark	STD	1	STD	Y	Y
191	VIENNA	DM	Dominica	STD	1	STD	Y	Y
192	VIENNA	DO	Dominican Republic	STD	1	STD	-	-
193	VIENNA	DY	Dahomey (now: Benin)	STD	-	STD	-	-
194	VIENNA	DZ	Algeria	STD	1	STD	-	-
195	VIENNA	EA	Caera, Mellilla (Spain)	STD	1	STD	Y	Y
196	VIENNA	EC	Ecuador	STD	-	STD	Y	Y
197	VIENNA	EE	Estonia	STD	1	STD	Y	Y
198	VIENNA	EG	Egypt	STD	-	STD	-	-
199	VIENNA	EH	West Sahara	STD	-	STD	-	-
200	VIENNA	ER	ERITREA	STD	-	STD	-	-
201	VIENNA	ES	Spain	STD	1	STD	Y	Y
202	VIENNA	ET	Ethiopia	STD	-	STD	-	-
203	VIENNA	FI	Finland	STD	1	STD	Y	Y
204	VIENNA	FJ	Fiji	STD	-	STD	-	-
205	VIENNA	FK	FALKLAND ISLANDS (MALVINAS)	STD	-	STD	-	-
206	VIENNA	FM	Micronesia	STD	-	STD	-	-
207	VIENNA	FO	FAROE ISLANDS	STD	-	STD	Y	Y
208	VIENNA	FQ	French Southern and Antarctic Territories	STD	-	STD	-	-
209	VIENNA	FR	France	STD	1	STD	Y	Y

8 TIN-Syntax Check:

We have recently introduced a new TIN Syntax Check for Ukrainian TINs in Hungary due to an increasing number of Ukrainian Customers there, whose TINs were not verified for correct format and structure.

If you are interested in implementing a similar check at your location, **please inform us** (ideally via Jira Ticket – Please assign it to Andrew Saleh). After successfully reviewing your request (according to the OECD and other guidelines/laws/regulations) we would then introduce the new TIN Syntax Check together with CRISP. Please keep in mind that such changes will most likely lead to more respective tasks in your systems. Therefore, please make sure beforehand that all affected colleagues are informed and prepared. Currently, such changes can still only be introduced at the beginning of each/next month.



9 ICS - FRC

We would remind all our relevant NWUs that within the recently finalized Group Standardized Controls project we (FRC RBI) have identified following Group Standardized controls within our area to be rolled out in 2024:

New Group Control Library ID	Group Control Name	Group Control Description	Applicable Group Entities	Execution Evidence
Group_C_1025	GIIN Verification	GIIN verification for FATCA must be conducted annually. Verify the FATCA status of FFI customers against the most recent published IRS list	All (ex. RBSPK)	Example of GIIN verification and mismatch identified
Group_C_733	Subsidiary completeness & plausibility check	Check that all relevant subsidiaries have provided complete data, compare to previous year's data & conduct plausibility check, investigate any material discrepancies.	RBI RBAL RBBH RBCZ RBHR RBRO RBRS RBRU TBSK	Signoff of completeness check in aggregated filePlausibility checks done in Excel via matching Email correspondence of investigation of material discrepancies
Group_C_832	Confirm validation checks	Confirm accuracy & completeness of 'FATCA/CRS Validation Checklist' prepared by Responsible Units and take any corrective measure as needed.	RBI RBUA RBAL RBBH RBBY RBCZ RBHR RBHU RBKO RBRO RBRS RBRU TBSK Kathrein RDB Akcenta	Sign-off from Compliance officer of completed FATCA/CRS Validation Checklist Email correspondence & resolution of corrective measures (if needed)
Group_C_953 (RBI_C_8386)	FATCA/CRS Trainings	Ensure that all employees are trained with regard to FATCA, which includes basic FATCA training for all and every new employee and specialized trainings fro spoeific organizational units	All	List of trainings with reference of business units that attended trainings; example screenshots of attendance, training material provided or signatures (if applicable) or HR confirmation (e.g., email)
Group_C_984 (RBI_C_8428)	Identification of HVA and RMI	Each year the HVA need to be identified. Thresholds are calculated for all customers regardless of their FATCA/CRS status. RMI must be performed each subsequent year.	All	Reconciliation of all accounts over USD 1 mio against FATCA/CRS status and example of inquiry to Account Manager about US status. Example of inquiry to Account Manager for last three years for the same customer

The existing controls have a strong track record and are widely recognized, leading us to anticipate minimal disruption to execution. Our project goal was to augment these controls with a new framework while minimizing additional resource strain on content development.

10 Common Reporting Standard – Regulatory Updates

2024 Global Forum Capacity Building Report

Newly published [2024 Global Forum Capacity Building Report](#) details the capacity-building and outreach activities carried out in 2023 by the Secretariat of the Global Forum on Transparency and Exchange of Information for tax Purposes (Global Forum). This important work supports the global implementation of the tax transparency standards, especially the exchange of information on request (EOIR) and the **automatic exchange of financial account information (AEOI)**.

The very encouraging developments highlighted in the report show member jurisdictions are not only making important, and sometimes rapid, progress in the fight against tax evasion and other illicit financial flows, but also reaping the rewards of their commitments and efforts through improved domestic resource mobilization. Globally, developing countries have reported identifying at least **EUR 41 billion additional resources** through voluntary disclosure programs and offshore tax investigations since 2009.



Through [regional initiatives](#) and overall CRS framework, following results are achieved:

- **5 countries joined** the Global Forum in 2023: Angola, Democratic Republic of the Congo, Fiji, Sierra Leone and Zimbabwe.
- **91 jurisdictions** received bilateral technical support in 2023, including 75 developing countries, which were provided with a more extensive support.
- **124 jurisdictions**, including 48 developing members, were committed to automatic exchange of financial accounts information by a specific date by the end of 2023.
- More than **6 000 tax officials** from 65 jurisdictions have been successfully trained on the exchange of information for tax purposes by the 186 participants in the Train the Trainer programme between 2021 and 2023.
- More than **9 500 tax officials** were trained through the Secretariat's capacity-building programme in 2023.

12 OECD members are now committed to start AEOI between 2024 and 2026

Cameroon, a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) since 2012, has committed to implement the international [Standard for Automatic Exchange of Financial Account Information in Tax Matters](#) (AEOI) by September 2026. **125 of the 171 Global Forum members are now committed to start AEOI** by a specific date, **including 12 between 2024 and 2026**, and the vast majority have commenced exchanges. This ever-growing scope is crucial to ensure the Standard's effectiveness in combating tax avoidance and evasion. 12 members committed to CRS are:

JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2024 (4)
Georgia ³ , Kenya ³ , Moldova ³ , Ukraine ³
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2025 (6)
Armenia ³ , Morocco ³ , Rwanda ³ , Senegal ³ , Tunisia ³ , Uganda ³
JURISDICTIONS UNDERTAKING FIRST EXCHANGES BY 2026 (2)
Cameroon ³ , Mongolia ³

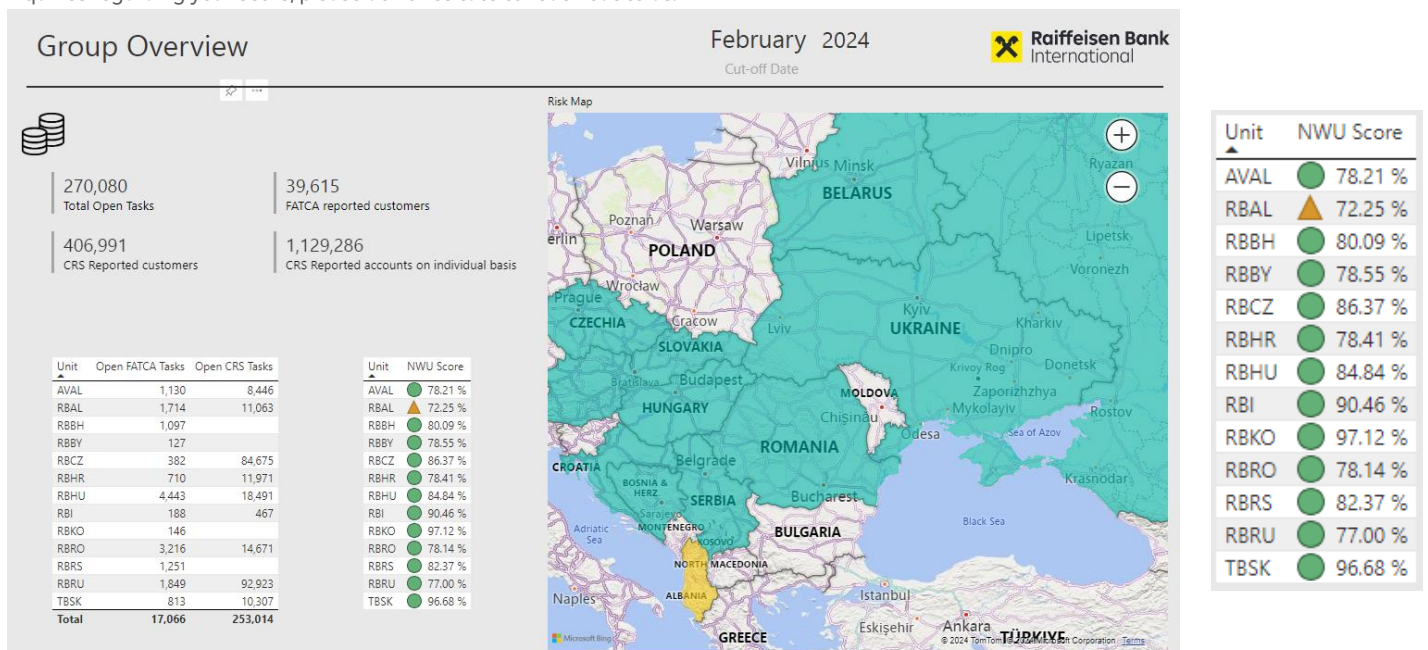
11 News from FRC Agile Delivery/i:Reg

We are proud to inform you that we have consolidated all Group AT Operations in CRISP as of the beginning of this year which should give rise to more focus on IT Process Framework and Innovation/Automation from which we all profit!

SDS had to revise the GDPR implementation for i:Reg – we expect now to be able to execute GDPR in i:Reg this calendar year. We will contact you to align the settings/requirements.

12 NWU FRC Score

As repeatedly emphasized, one of our primary tools for steering the FRC Group is the monthly monitoring of a NWU FRC Score. As of February, we have the following statuses at the Group Level. Overall, we are highly content (as indicated historically - please refer to the next page). However, with pending local audits and inquiries (e.g., RBHR and RBRO), this satisfaction may fluctuate in the upcoming weeks or months. Should you have any inquiries regarding your Score, please don't hesitate to reach out to us.





Group Score Development

