

## FATCA Periodic Certification Requirement

AUGUST 27, 2018

Foreign investment funds that are registered as “foreign financial institutions” (FFIs) on the Internal Revenue Service (IRS) FATCA registration system have begun receiving IRS automated e-mail notices regarding a requirement to make a periodic certification of FATCA compliance. For many FFIs subject to this periodic certification requirement, the first due date is December 15, 2018 (extended from July 1, 2018).

This periodic certification requirement does not apply to all entities registered on the IRS FATCA registration system. For example, a registered entity that is classified as a “Reporting Financial Institution under a Model 1 IGA,” which generally includes an entity that files an annual FATCA report with its home jurisdiction rather than with the IRS, is not required to make a periodic certification with the IRS.

However, even entities that are not subject to the periodic certification requirement, such as Reporting Financial Institutions under a Model 1 IGA, will likely receive an IRS automated e-mail notice regarding periodic certification. The IRS has published an FAQ advising such entities to update their FATCA classification on the FATCA registration system to avoid inapplicable certification-related notices in the future.

In general an entity’s local counsel or FATCA administrative service provider should be authorized to sign on to the IRS FATCA registration system on behalf the entity to update the entity’s FATCA classification. We recommend that you consult with your local counsel or FATCA administrative service provider to confirm whether you are subject to the periodic certification requirement and whether your FATCA classification has been updated on the FATCA registration system.

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