
Kluwer International Tax Blog

Byrnes & Perryman's FATCA Update of July 2015

William Byrnes (Texas A&M University Law) · Monday, July 27th, 2015

FFI GIIN List FATCA Monthly Update

The IRS released the fourteenth [FATCA GIIN list](#) of foreign financial institutions (FFIs) that have registered with the IRS through its FATCA portal. The IRS provides these FFIs a Global Intermediary Identification Number (GIIN). The FFI may then use its unique 19 digit GIIN to complete the IRS tax self certification forms, such as the W-8BEN-E, to avoid the 30 percent FATCA withholding tax.

As of July 2015, FFI registration increased 2,778 to 168,239 from a previous monthly total of 165,461. Thus, the month over month trend of FFI registration remains steady, albeit low.

May: 2,851

April: 2,600

March: 3,734

February: 2,479

In its FATCA FAQs ([FFI #7](#)), the IRS stated that it did not expect more than a half million entities will need to register as FFIs pursuant to the FATCA definition.

Many industry stakeholders disagreed stating the number will be higher. Their basic argument is based upon the broad definition of a financial institution that must register for a GIIN,. By example, the UK HMRC estimated that, after the UK-USA FATCA IGA and its accompanying local regulations scaled back the definition of which entities are to categorized as FFIs, 75,000 UK entities remain likely impacted. As of July 2015, 23,568 United Kingdom entities have registered as FFIs, up from 23,256 in June.

Has the United Kingdom HMRC over estimated the number of actors of its financial industry? Are some entities not registering with the IRS and seeking refuge from FATCA's withholding pursuant to the protection of the IGA that offers Model 1 partners suppression of the FATCA withholding? Have some UK entities moved their investments to other non-US markets, and thus do not consider themselves directly impacted by FATCA?

The number of IGAs remains unchanged from last month. 90 countries and dependencies have

entered into a FATCA IGA with the U.S. based on Model 1A (reciprocal), or are awaiting local ratification, accounting for 101,757 of the registrations. A further eight countries signed a Model 1B (non-reciprocal), accounting for a further 40,476 GIINs. A final 14 countries signed a Model 2 version IGA, adding 18,642 FFI registrations covered by an IGA. Thus in total, 160,875, representing 96% of FFI registrations, are from the 112 IGA states and their dependencies.

The 131 countries and dependencies without an IGA have only registered 6,390 FFIs to date, a surprising low number given that the initial implementation of the 30% withholding for non-compliance with FATCA began more than a year ago on 1 July 2014.

The UK and its ten dependencies and overseas territories comprised 76,099 of the GIINs, representing 45% of the total, or without the UK included, 49,898 for 30.6%. The 34 OECD members have produced 79,057 GIIN registrations.

Cayman leads the FFI registration in total number and percentage of its financial institutions, with 31,533. If Cayman is the leader in transparency, why then did the EU Commission black list it last month as an offshore jurisdiction?

The major financial industries of the four BRIC countries have 8,320, barely nudging up from 8,254 the month before, and 8,186 in May, 8,060 in April and 7,962 in March.

5,862 of the total FFI registrations are members of an expanded affiliated group (EAG).

OECD Common Reporting Standard signatories has reached 99, the notable holdout being the U.S., with 57 committed to begin in 2017, 37 in 2018, and 5 not yet committed to a start date.

FATCA IGA Scenarios	GIINs	Jurisdictions
Model 1A IGA	101,757	90
Model 1B IGA	40,476	8
Model 2 IGA	18,642	14
No IGA	6,390	131
US	896	1
US Territories	78	6
Total	168,239	250

GIIN List (2014/2015) Registrations

June	77,354
July	82,994
August	95,239
September	99,861
October	104,344
November	116,104
December	122,881

January	147,043
February	153,797
March	156,276
April	160,010
May	162,610
June	165,461
July	168,239

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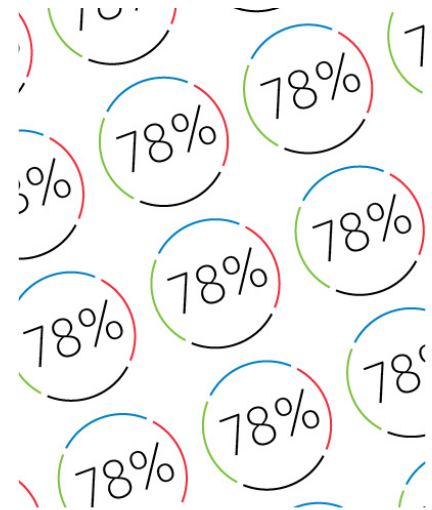
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