

IRS extends FATCA reporting deadline to July 15

Because of the ongoing novel coronavirus (COVID-19) crisis, the IRS has granted an extension to file Form 8966, "FATCA Report," for Reporting Model 2 Financial Institutions and Participating Foreign Financial Institutions. Here are some key details.

Background on filing

The Foreign Account Tax Compliance Act (FATCA) requires withholding agents to deduct and withhold 30% on certain payments made to a foreign financial institution (FFI), unless the FFI has entered into an FFI agreement with the U.S. government to, among other things, report certain information with respect to U.S. accounts. Chapter 4 also imposes withholding, documentation and reporting requirements on withholding agents, with respect to certain payments made to certain non-financial foreign entities (NFFEs).

Form 8966 is required to be filed to report information regarding:

- Certain U.S. accounts,
- Substantial U.S. owners of passive NFFEs,
- Specified U.S. persons that own certain debt or equity interests in owner-documented FFIs (ODFFIs), and
- Certain other accounts as applicable based on the filer's Chapter 4 status.

A Reporting Model 2 Financial Institution must file Form 8966 to report information with respect to U.S. accounts, accounts held by ODFFIs and non-consenting U.S. accounts.

A Participating Foreign Financial Institution must file Form 8966 to report information with respect to U.S. accounts, accounts held by ODFFIs and accounts held by "recalcitrant" (uncooperative) account holders.

Due date extension

In response to the COVID-19 pandemic, the IRS is providing an extension of time for a Reporting Model 2 Financial Institution or a Participating Foreign Financial Institution to file Form 8966. The filing deadline has been extended from March 31, 2020, to July 15, 2020. Form 8809-I, "Application for Extension of Time to File FATCA Form 8966," isn't required for this extension.

Much relief available

As you may already be aware, the IRS has provided extensions applicable to most taxpayers, including Americans living and working abroad, with filing or payment deadlines on or after April 1, 2020, and before July 15, 2020. Contact your tax advisor for the latest developments. •