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GUIDANCE NOTE

PPG No. 002/2022

Income Tax Act Cap. 73 & Income Tax (Automatic Exchange of Information) Regulations, 2017

Corrections to the Common Reporting Standard and Foreign Account Tax Compliance Act reports for reporting year 2020

The Barbados Revenue Authority (“the Authority”), after validating the Common Reporting Standard (“CRS”) and the Foreign Account Tax Compliance Act (“FATCA”) data received from Reporting Barbados Financial Institutions for the reporting year 2020, has observed the following:-

1. entities have provided dates of birth for reportable persons which are possibly incorrect; and
2. in the absence of tax identification numbers entities have entered nine A’s, 0s, or 9s, or have used the series of codes developed by the Internal Revenue Service.

Please be advised that the Authority acting in accordance with Regulation 19 of the AEOI Regulations gives notice that Reporting Barbados Financial Institutions that submitted data as described at (1) and/ or (2) are required to make all necessary corrections to their data and file a corrected report with the Authority via its Automatic Exchange of Information (“AEOI”) web portal on or before **February 28, 2022.**

Reopening of the AEOI Web Portal for 2020 and prior reports

Reporting Barbados Financial Institutions are advised that the Authority's AEOI web portal will be open from January 12, 2022, to February 28, 2022, to facilitate prior-year CRS and/or FATCA reports or make corrections to a prior year report(s). Please be advised that reports for the reporting year **2021 cannot** be submitted at this time. Reporting Barbados Financial Institutions with outstanding reports must first notify the Authority of their intent to file a prior year CRS and/or FATCA report(s) or to make a correction to a report(s) submitted by sending an email to compauth@bra.gov.bb.

Please note that these submissions must be prepared using the CRS 2.0 schema.

Correspondence and queries should be sent to the International Relations Unit of the Authority via email at compauth@bra.gov.bb.

The following information must be submitted when requesting to submit a prior year report.

S. No.	FI Name	GIIN Number	Compliance Type	Reporting Year	Number of Accounts	XML / Manual	New / Corrected	Reason for Late Submission

FATCA reports for reporting year 2021

Reporting Barbados Financial Institutions are advised that effective reporting year 2021, the series of codes developed by the Internal Revenue Service ("IRS") to better understand why a foreign financial institution is unable to obtain a US tax identification number must be entered when submitting a FATCA report. No other series of codes will be accepted.

The codes are as follows:

- "222222222: a pre-existing individual account with the only US indicia being a US place of birth.
- 333333333: a new individual account that has indicia of a US place of birth, and either:
 - Has a change in circumstances causing the self-certification originally obtained at account opening to be incorrect or unreliable, and a new self-certification has not been obtained; or

- *Was below the threshold for documenting and reporting the account at the time of account opening but subsequently exceeded the threshold, and a self-certification has not been obtained.*
- *444444444: pre-existing individual and entity account that has US indicia other than a US place of birth, and either:*
 - *Has a change in circumstances causing the originally obtained self-certification or other documentation to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained; or*
 - *Was below the threshold for documenting and reporting the account at the time of account opening but subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.*
- *555555555: new individual and entity account that has a US indicia other than a US place of birth, and either:*
 - *Has a change in circumstances causing the originally obtained self-certification or other documentation to be incorrect or unreliable, and a new self-certification or other documentation has not been obtained; or*
 - *Was below the threshold for documenting and reporting the account at the time of account opening but subsequently exceeded the threshold, and a self-certification or other documentation has not been obtained.*
- *666666666: pre-existing entity account with an account balance exceeding US\$1,000,000 held by a passive non-financial foreign entity (NFFE) with respect to which no self-certifications have been obtained, and no US indicia has been identified in relation to its controlling persons.”*

Reporting Barbados Financial Institutions are reminded that the absence of US tax identification numbers will still generate an error notification from the IRS for administrative errors and minor mistakes. Additionally, entering nine A's or 0's will no longer suppress the error notification **beginning with the 2020** reporting period.

Where the Reporting Barbados Financial Institution does not communicate the unknown US tax identification numbers 120 days after receiving the notification, the IRS will assess whether there has been significant non-compliance. In doing so, the IRS will consider all the facts and circumstances, including:

- the reasons why the unknown US tax identification numbers could not be obtained;
- the procedures put in place by the Barbados Reporting Financial Institution to obtain these unknown US tax identification numbers; and
- the efforts it made in this regard.

If significant non-compliance is established, the IRS will address the non-compliance determination through the Authority.

Should you have any queries, please do not hesitate to contact the International Relations Unit of the Authority via email at compauth@bra.gov.bb.

International Relations Unit
Barbados Revenue Authority
January 2022