

**GUIDANCE NOTE
OGC No. 13 /2025**

Reference	OGC No. 13 /2025
Title	Foreign Account Tax Compliance Act
Sub Title	Due Diligence and Reporting Obligations
Purpose	To inform stakeholders of the Foreign Account Tax Compliance Act Due Diligence and Reporting Obligations

Background

In 2010, the United States of America (U.S.) introduced the Foreign Account Tax Compliance Act (FATCA) to combat tax evasion by collecting information on offshore accounts held by U.S. citizens and residents. FATCA requires Financial Institutions (“FI”) to identify U.S. accounts through enhanced due diligence and report them annually to the Competent Authority on the exchange of information as per the relevant Inter-Governmental Agreement.

In the case of Barbados, implementation of the FATCA regime was achieved through the enactment of the Income Tax (Automatic Exchange of Information) Regulations, 2015. The 2015 Regulations were subsequently revoked and replaced by the Income Tax (Automatic Exchange of Information) Regulations, 2017.

Introduction

The Barbados Revenue Authority, guided by the **Agreement between the Government of the United States of America and the Government of Barbados to Improve International Tax Compliance and to Implement Foreign Account Tax Compliance Act (“the Agreement”)** has penned this guidance note to provide Reporting Barbados Financial Institutions (“RBFIs”) with guidance on the required due diligence exercise and reporting obligations for FATCA purposes.

FATCA -Reporting Obligation

RBFIs implementing FATCA are obligated to obtain and exchange specific information with respect to all U.S. Reportable Accounts to ensure compliance with the domestic FATCA legal framework.

For reference, the term “U.S. Reportable Account” as defined in the Agreement refers to a Financial Account maintained by a RBFi that is held by one or more Specified U.S. Person (i.e.

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U.S. citizens or residents, private corporations or certain types of trusts), or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person.

The information to be collected can be broken down in to two categories: Account Holder Information and Account Information:

1. Account Holder Information:

- Full name of the Account Holder
- Address of the Account Holder
- U.S. Taxpayer Identification Number (TIN);

2. Account Information:

- Account Number (or its functional equivalent)
- Account balance as of the end of the relevant calendar year, or the appropriate reporting period if the account was closed during such year, immediately prior to closure.
- The amount credited or paid to the Account Holder in the relevant calendar year, or the appropriate reporting period if the account was closed during such year, immediately prior to closure, the following:

A. In the case of custodial accounts, the information to be reported is

- The total gross amounts of interest, dividends, and the total gross of any other income generated by the assets held in the account; including all amounts paid or credited during the calendar year or relevant reporting period.
- The total gross proceeds from the sale or redemption of property paid or credited to the account during the relevant period, where the RBFi acted as a custodian, broker, nominee, or agent for the Account Holder.

B. In the case of depository accounts, the information to be reported is the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period.

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- C. In all other Reportable Accounts, the total gross amount paid or credited to the Account Holder during the calendar year or relevant reporting period, including any redemption payments made by the RBF to the Account Holder during that period.

Due Diligence Procedures

Having identified the information to be collected, RBFs must implement the appropriate due diligence procedures applicable to the varying account types. However, the due diligence procedures are dependent on:

- ❖ when the account was opened;
- ❖ whether the account is held by an Individual Account Holder and is a Preexisting Account - Lower Value or High Value Account; and
- ❖ whether the account is held by an entity.

Preexisting Individual Accounts

A Preexisting Individual Account is an account **opened on or before June 30, 2014.**

The following accounts are NOT required to be reviewed, identified or reported as U.S. Reportable Accounts:

1. A preexisting individual account with a balance or value that does not exceed USD 50,000 as of June 30, 2014.
2. A preexisting individual account that is a Cash Value Insurance Contract or Annuity Contract with a balance or value of USD 250,000 or less as of June 30, 2014.
3. A preexisting individual account that is a Cash Value Insurance Contract or an Annuity Contract and is exempt if laws or regulations in Barbados or the U.S. prevent its sale to U.S. residents. *(For example, when the financial institution lacks the necessary U.S. registration and Barbados law requires reporting or withholding on insurance products held by its residents.)*
4. A depository account with a balance of USD 50,000 or less.

❖ **Preexisting Lower Value Individual Accounts**

Preexisting Lower Value Accounts are individual accounts with a balance exceeding USD \$50,000 (or US \$250,000 for Cash Value Insurance or Annuity Contracts) but not exceeding USD 1,000,000 as of June 30, 2014. The due diligence for these accounts involves an **Electronic Record Search**, where the RBFi reviews previously held electronic data to check for any of the following U.S. indicia:

Electronically Searchable Data:	<input checked="" type="checkbox"/> Identification of the account holder as a U.S. citizen or resident;
	<input checked="" type="checkbox"/> Unambiguous indication of U.S. place of birth;
	<input checked="" type="checkbox"/> Current U.S. mailing or residence address (including a U.S. post office box);
	<input checked="" type="checkbox"/> Current U.S. telephone number
	<input checked="" type="checkbox"/> Standing instructions to transfer funds to an account maintained in the U.S;
	<input checked="" type="checkbox"/> Currently effective power of attorney or signatory authority granted to a person with a U.S. address, or;
	<input checked="" type="checkbox"/> An "in-care-of" or "hold mail" address that is the sole address the RBFi has on file for the account holder - In the case of a Preexisting Individual Account that is a Lower Value Account, an "in-care-of" address outside the United States or "hold mail" address SHALL NOT be treated as U.S. indicia

Where none of the U.S. indicia listed above are discovered in the electronic search, then no further action is required from the RBFi until there is a change in circumstances or the account becomes a High Value Account. However, if U.S. indicia is found or there is a change of circumstance that results in one or more U.S. indicia being associated with the account, then the RBFi must treat the

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account as a U.S. Reportable Account, unless at least one of the exception outlined below is applicable.

Notwithstanding that a RBFi found U.S. indicia, the RBFi is **NOT** required to treat an account as a U.S. Reportable Account where the Account Holder information **unambiguously indicates a U.S place of birth** and the RBFi obtains or previously reviewed and maintained a record of:

- 1) a self-certification that the Account Holder is neither a U.S. citizen nor a U.S. resident for tax purposes;
- 2) a non-U.S. passport or other government-issued identification evidencing the Account Holder's citizenship or nationality in a country other than the United States; **and**
- 3) a copy of the Account Holder's Certificate of Loss of Nationality of the U.S. or a reasonable explanation for not having one despite renouncing U.S. citizenship or the reason the Account Holder did not obtain U.S. citizenship at birth.

Moreover, a Reporting Financial Institution (RBFi) is **not** required to treat an account as a U.S. Reportable Account **if**:

- The RBFi has reviewed and maintained records of a valid self-certification indicating that the Account Holder is **neither a U.S. citizen nor a U.S. tax resident, and**
- The RBFi retains documentary evidence supporting the Account Holder's non-U.S. status.

This applies even when the account has one or more of the following U.S. indicia:

- a) A current U.S. mailing or residential address, or one or more U.S. telephone numbers associated with the account;
- b) Standing instructions to transfer funds to an account maintained in the United States;
- c) A currently effective power of attorney or signatory authority granted to a person with a U.S. address; an "in-care-of" or "hold mail" address listed as the sole address for the Account Holder; or one or more U.S. telephone numbers (provided a non-U.S. telephone number is also associated with the account).

The FATCA legal framework also outlines additional procedures for Preexisting Lower Value Individual Accounts to ensure that sufficient due diligence is applied by an RBFi. Specifically, the RBFi was expected to complete its review of these accounts for U.S. indicia by June 30, 2016.

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Where there is a change in circumstances regarding a Preexisting Lower Value Individual Account that introduces one or more U.S. indicia, the RBFi must treat the account as a U.S. Reportable Account, unless the account qualifies for an exemption based on previous conditions. Finally, any Preexisting Individual Account identified as a U.S. Reportable Account must continue to be treated as such in all subsequent years, unless the Account Holder no longer qualifies as a Specified U.S. Person.

❖ Preexisting High Value Individual Accounts

The FATCA legal framework defines a Preexisting High Value Individual Account as an account with a balance or value that exceeds USD \$1,000,000 as of June 30, 2014, or December 31, 2015 or any subsequent year. The Preexisting Accounts are subject to Enhanced Review Procedures, inclusive of the same Electronic Record Search as the Preexisting Lower Value Individual Accounts, AND a Paper Record Search.

The **Paper Record Search** occurs in the event that an RBFi's electronically searchable data does not capture all of the relevant indicia mentioned above with respect to a U.S. Reportable Account. As such, the RBFi must also review their current customer master file as well as examine any documents associated with the account and obtained by the RBFi within the last five (5) years that are not already included in the master file.

Paper Record Search Data:	✓ The most recent documentary evidence collected with respect to the account;
	✓ The most recent account opening contract or documentation;
	✓ The most recent documentation obtained by the RBFi pursuant to AML/KYC Procedures or for other regulatory purposes;
	✓ Any power of attorney or signature authority forms currently in effect;
	✓ Any standing instructions to transfer funds currently in effect.

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Note that where an RBFi's electronic database contains all the required electronically searchable information, and the data is deemed reliable by the RBFi, there is no obligation to conduct a paper record search.

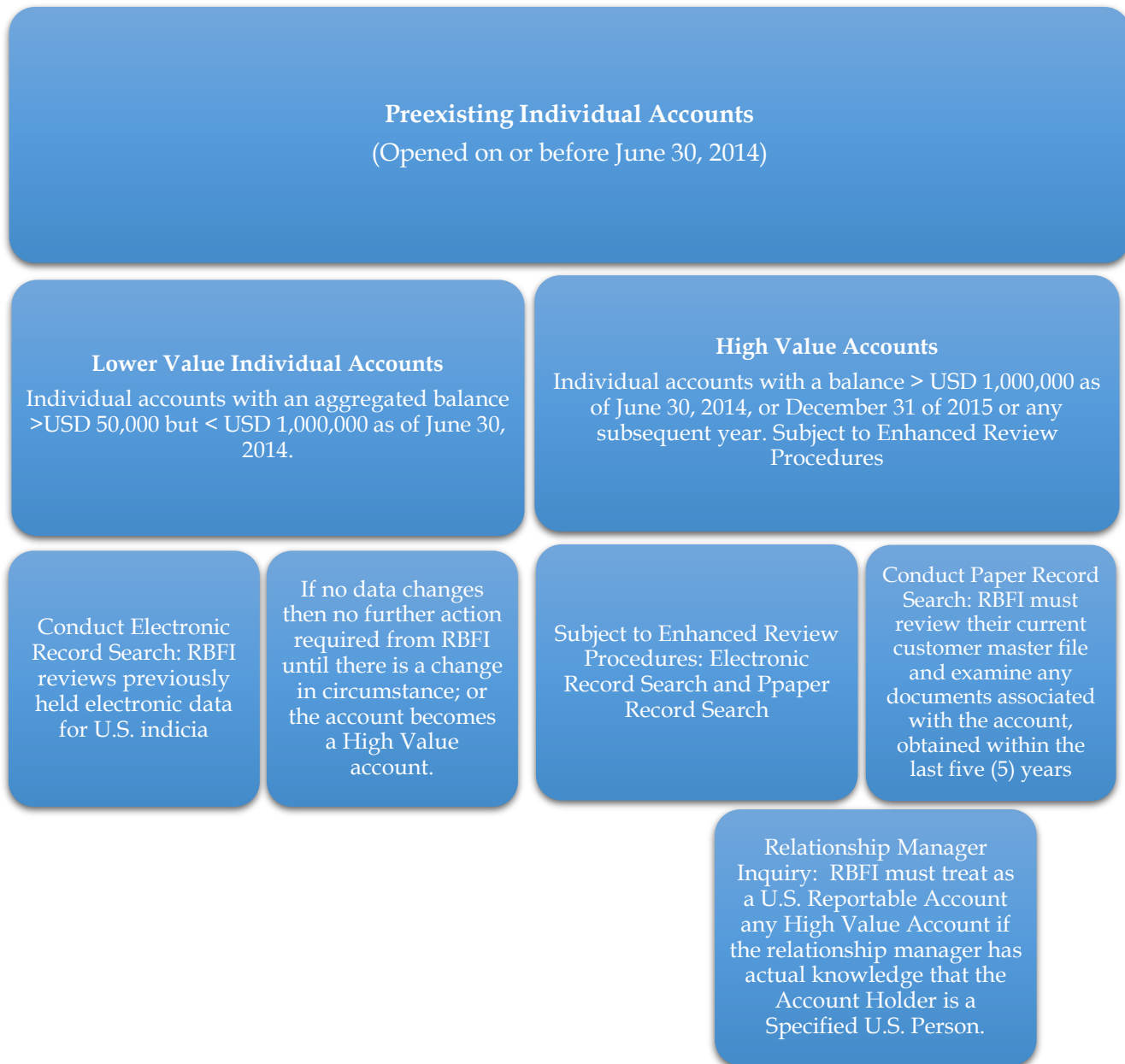
In addition to the Electronic and Paper Record Searches outlined above, a RBFi must treat as a U.S. Reportable Account any High Value Account (including any Financial Accounts aggregated with it) if the relationship manager has actual knowledge that the Account Holder is a Specified U.S. Person.

➤ **Effect of Finding U.S. Indicia.**

If any of the U.S. indicia that is electronically searchable is discovered in the Enhanced Review of High Value Accounts or if there is a change in circumstances that results in one or more U.S. indicia being associated with the account, the RBFi must treat the account as a U.S. Reportable Account. The RBFi must continue to treat it as such in all subsequent years; unless the account qualifies for an exemption based on previous conditions or the account holder no longer qualifies as a Specified U.S. Person.

Additional Procedures Applicable to High Value Accounts	
1. Preexisting High Value Accounts (as of June 30, 2014):	The RBFi must complete the enhanced review procedures by June 30, 2014 . If a U.S. Reportable Account is identified by December 31, 2014 , it must be reported for 2014 and annually thereafter. Accounts identified after December 31, 2014, must be reported annually starting from the year of identification.
2. Preexisting Accounts Becoming High Value Accounts (after June 30, 2014):	If an account becomes a High Value Account in 2015 or later, the enhanced review must be completed within six months after the year-end. If identified as a U.S. Reportable Account, it must be reported annually, unless the Account Holder is no longer a Specified U.S. Person.
3. No Re-application of Procedures	Once the enhanced review is applied to a High Value Account, it does not need to be re-applied in subsequent years, except for the relationship manager inquiry.

4. Change of Circumstances:	If a High Value Account develops U.S. indicia due to a change in circumstances, it must be treated as a U.S. Reportable Account, unless exceptions apply.
5. Relationship Manager's Role:	RBFIs must ensure relationship managers identify any changes in account circumstances, such as a new U.S. address, and take the necessary steps for documentation and reporting.



New Individual Accounts

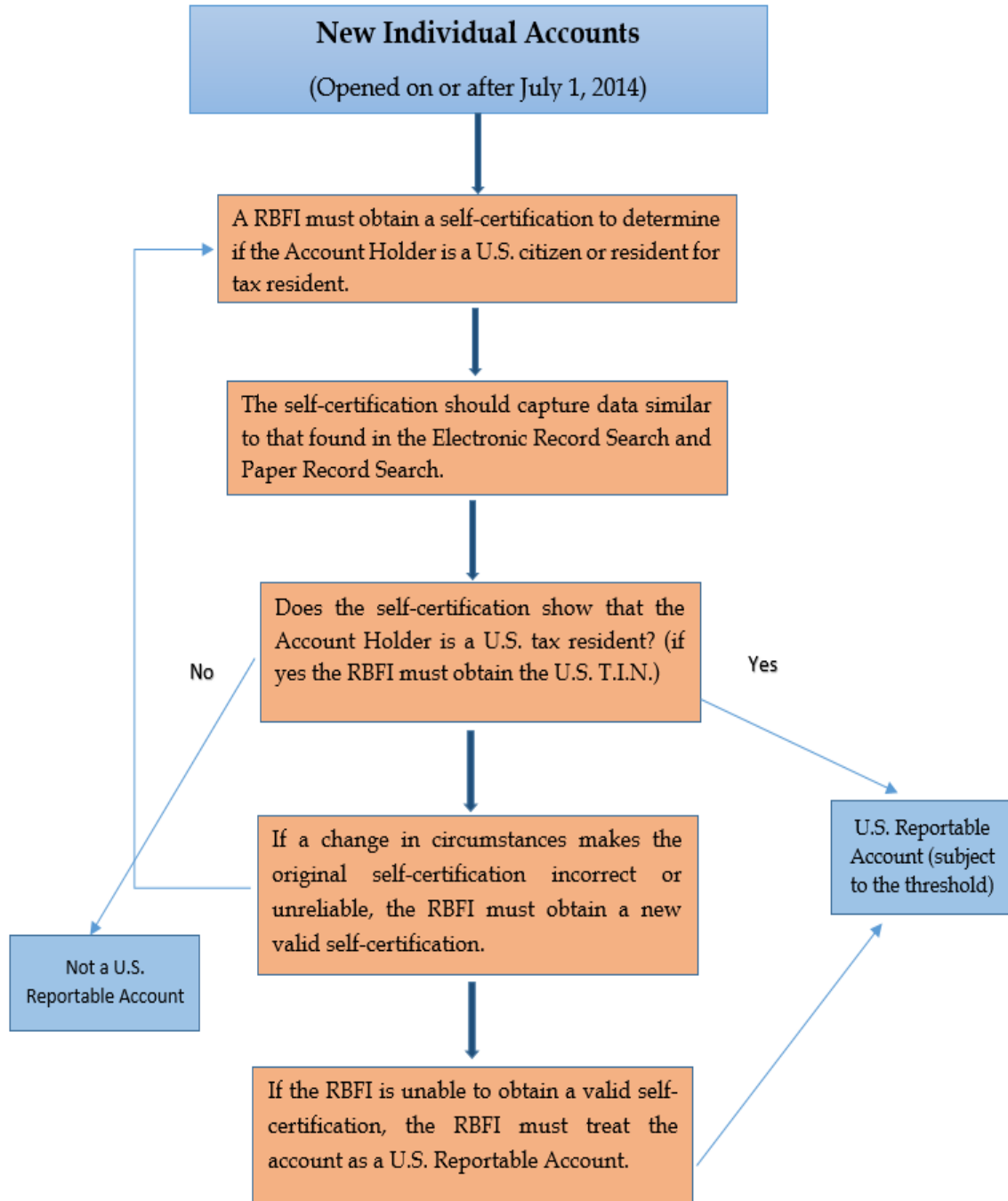
The FATCA legal framework defines New Individual Accounts as an account **opened on or after July 1, 2014.**

Similar to the Preexisting Individual Accounts, there are some New Accounts that are NOT required to be reviewed, identified or reported, these include:

1. **Depository Accounts:** These are not required to be reviewed or reported unless the account balance exceeds USD\$50,000 at the end of any calendar year or other reporting period.
2. **Cash Value Insurance Contracts:** These are not required to be reviewed or reported unless the cash value exceeds USD\$50,000 at the end of any calendar year or other reporting period.

On opening a New Individual Account, the RBFI must obtain a self-certification to determine if the Account Holder is a U.S. tax resident (for this purpose, a U.S. citizen is considered to be a resident in the United States for tax purposes, even if the Account Holder is also a tax resident of another jurisdiction). The self-certification should be part of the account opening documentation and be verified for reasonableness using the information obtained during the account opening process, including AML/KYC documentation.

1. If the self-certification shows the Account Holder is U.S. tax resident, the account must be treated as a U.S. Reportable Account, and the RBFI must obtain the Account Holder's U.S. TIN.
2. If a change in circumstances makes the original self-certification incorrect or unreliable, the RBFI must obtain a new valid self-certification. If the RBFI cannot obtain one, the account must be treated as U.S. Reportable Account.



Entities

The expression "Entity" means a legal person or a legal arrangement such as a trust.

A RBFi that maintains a financial account held by an entity must determine whether the account is a U.S. Reportable Account.

Preexisting Accounts

A "Preexisting Entity Account" means a Financial Account maintained by an RBFi as of June 30, 2014.

Entity Accounts which Require Review

A Preexisting Entity Account that has a balance or value greater than USD 250,000 as of June 30, 2014, or one that has a balance or value not exceeding USD 250,000 as of that date but exceeds USD 1,000,000 by the end of 2015 or any following calendar year, is subject to review as outlined below.

Aggregation of Entity Accounts: To determine an aggregate balance or value, an RBFi is required to take into account all Financial Accounts that are maintained by the RBFi, or by a Related Entity, but only to the extent that the RBFi's computerized systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated.

Entity Accounts Exempt from Review, Identification, or Reporting

A Preexisting Entity Account held by a RBFi is exempt from the requirements of review, identification, or reporting as a U.S. Reportable Account, provided that the account balance or value does not exceed USD 250,000 as of June 30, 2014. This exemption remains in effect until the account balance or value exceeds USD 1,000,000.

How to Identify Reportable Entity Accounts

1. Determine Whether the Entity is a Specified U.S. Person.
 - a) Check the information kept for regulatory or customer relationship reasons, including details collected in accordance with Barbados' Anti-Money Laundering ("AML") and Know Your Customer ("KYC") procedures, to ascertain whether the information demonstrates that the Account Holder is a U.S. Person. This includes information such as a U.S. place of incorporation or organisation, or a U.S. address.
 - b) In instances where the information suggests that the Account Holder qualifies as a U.S. Person, the RBFI is obligated to classify the account as a U.S. Reportable Account. This classification can be avoided if the institution secures a self-certification from the Account Holder, which may be provided on an IRS Form W-8, W-9, or another mutually accepted form; or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Specified U.S. Person.
2. Determine Whether a Non-U.S. Entity is a Financial Institution.
 - a) Examine the data retained for regulatory compliance or customer relationship management, including information collected in accordance with AML and KYC procedures, to assess whether such information suggests that the Account Holder qualifies as an FI.
 - b) If the information suggests that the Account Holder is an FI, or the RBFI confirms the Account Holder's Global Intermediary Identification Number ("GIIN") on the published IRS Foreign Financial Institution (FFI) list, then the account is not a U.S. Reportable Account.
3. Determining if an account held by a Non-Financial Foreign Entity (NFFE) is a U.S. Reportable Account.

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With respect to an Account Holder of a Preexisting Entity Account that is not identified as either a U.S. Person or a Financial Institution, the RBFi must identify:

- (i) whether the Account Holder has Controlling Persons,
- (ii) whether the Account Holder is a Passive NFFE, and
- (iii) whether any of the Controlling Persons of the Account Holder is a U.S. citizen or resident.

In making the determinations with respect to controlling persons, the RBFi must follow the guidance as outlined above for preexisting individual accounts.

Passive NFFE - the RBFi must obtain a self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFFE.

Controlling Person of a Passive NFFE is a U.S. citizen or resident for tax purposes - An RBFi may rely on:

(1) Information collected and maintained pursuant to AML/KYC Procedures in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance or value that does not exceed USD 1,000,000; or

(2) A self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the Account Holder or such Controlling Person in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance or value that exceeds USD 1,000,000.

Where a Controlling Person of a Passive Non-Financial Foreign Entity (NFFE) is identified as a U.S. citizen or resident, the account will be classified as a U.S. Reportable Account.

PRE-EXISTING ENTITY ACCOUNTS	
Scenario	Required to be reviewed, identified or reported?
Preexisting entity account less than or equal to USD 250,000 as of June 30, 2014 (and less than or equal to 1,000,000 thereafter)	✗ Not required to be reviewed, identified or reported
Preexisting entity account greater than USD 250,000 as of June 30, 2014 OR exceeds USD 1,000,000 at end of 2015 or later	✓ Required to be reviewed
Entity identified as a Financial Institution (via AML/KYC or GIIN on IRS FFI list) <i>(threshold applicable)</i>	✗ Not required to be reviewed, identified or reported
Entity identified as a Specified U.S. Person (via AML/KYC info: U.S. incorporation, address, etc.) <i>(threshold applicable)</i>	✓ Reportable (unless valid self-certification shows otherwise)
Entity identified as Passive NFFE <u>with NO</u> U.S. Controlling persons	✗ Not required to be reviewed, identified or reported
Entity identified as Passive NFFE <u>WITH</u> U.S. Controlling Person (s)	✓ Reportable

New Entity Accounts

“New Entity Accounts” are U.S. Reportable held by Entities and opened on or after July 1, 2014.

Entity Accounts Exempt from Review, Identification, or Reporting

A credit card account or a revolving credit facility classified as a New Entity Account does not need to be reviewed, identified, or reported. This is contingent on the RBFi having established policies and procedures to ensure that the balance owed by the Account Holder does not exceed USD 50,000.

Other New Entity Accounts

For new entity accounts, RBFIs must determine whether the Account Holder is:

- (i) a Specified U.S. Person;
- (ii) a Barbados FI or other Partner Jurisdiction FI;
- (iii) a participating FFI, a deemed-compliant FFI, or an exempt beneficial owner, or
- (iv) an Active NFFE or Passive NFFE.

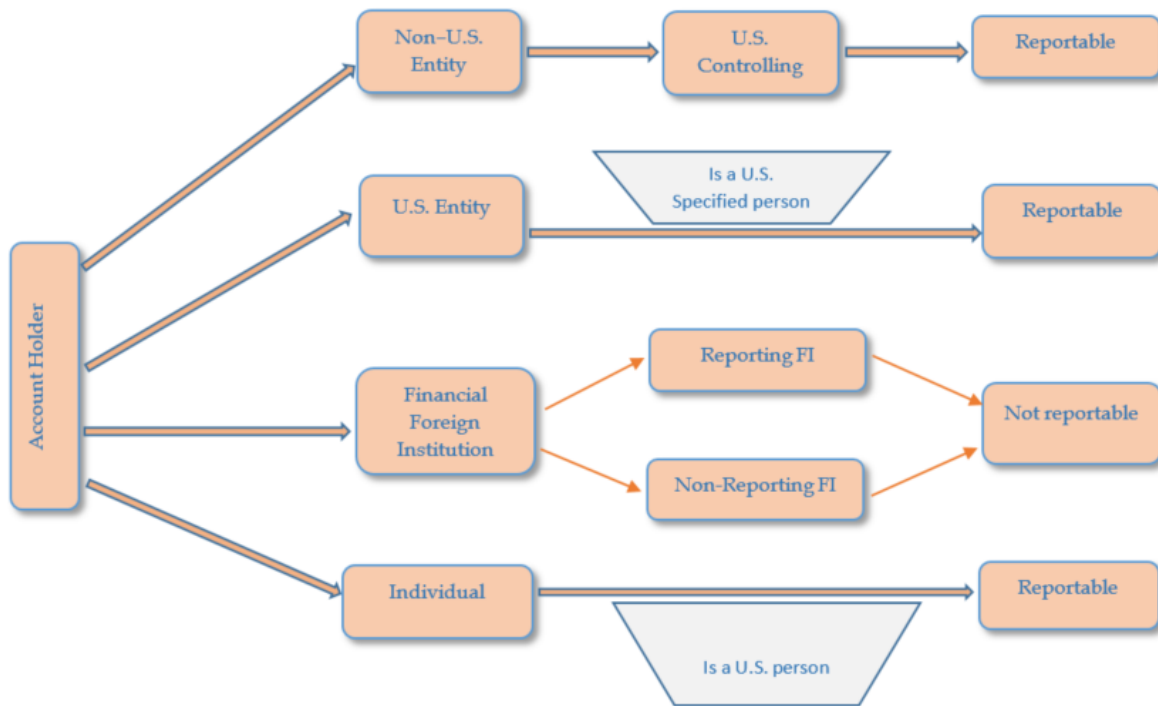
Where an RBFi identifies that the Account Holder qualifies as a Barbados FI or another Partner Jurisdiction FI, and if the RBFi reasonably concludes this status based on the Account Holder's GIIN or other publicly accessible information, or information held by the RBFi, then the following applies:

- If the account holder is classified as a Barbados FI or another Partner Jurisdiction FI the account will not be considered a U.S. Reportable Account.
- In all other instances, the RBFi is required to obtain a self-certification from the Account Holder to confirm their status.

Reliance on Self-Certifications and Documentary Evidence

An RBFi is prohibited from depending on self-certifications or documentary evidence if it is aware or has reasonable grounds to suspect that such self-certifications or documentary evidence are inaccurate or untrustworthy.

SUMMARY: Account Holder - Reportable or Not?



**Global Relations Unit
Barbados Revenue Authority
October 2025**