



### Reporting requirement under Foreign Account Tax Compliance Act (FATCA) - Timelines for Closure of financial accounts is 30th April 2017

...continued

#### CBDT Press Release date. 11<sup>th</sup> April 2017

Under the alternative procedure provided in Rule 114H (8) of the Income-tax Rules, 1962:

- **The financial institutions need to obtain self-certification** and carry out due diligence *in respect of all individual and entity accounts opened from 1st July 2014 to 31st August 2015.*
- Such self-certification and documentation was required to be obtained by the financial institutions by 31st August 2016, otherwise they were required to close the accounts and report the same if found to be a "reportable account" as per the prescribed due diligence procedure for pre-existing account.
- However, due certain difficulties the due date is extended till 30<sup>th</sup> April 2017
- **In case self-certifications are not provided till 30<sup>th</sup> April 2017, their accounts would be blocked**, which would mean that the financial institution would prohibit the account holder from effecting any transaction with respect to such accounts.
- **The transactions by the account holder in such blocked accounts may, thereafter, be permitted once the self-certification is obtained and due diligence completed.**

#### What is self-certification?

- (I) a self-certification that the account holder is neither a citizen of the United States of America nor its resident for tax purposes;
- (II) a passport or other Government-issued identification evidencing the account holder's citizenship or nationality in a country other than the United States of America; and
- (III) a copy of the account holder's certificate of loss of nationality of the United States of America or a reasonable explanation of-
  - (1) the reason, the account holder does not have such a certificate despite relinquishing citizenship of the United States of America; or
  - (2) the reason, the account holder did not obtain citizenship of the United States of America at birth;



#### Who shall comply with the above Press Release?

- All Individuals and entity who have opened accounts from **1<sup>st</sup> July 2014 to 31<sup>st</sup> August 2015** shall furnish self-certification to Banks (i.e., Financial Institution as defined above).