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EBF PRESS RELEASE – FOR IMMEDIATE RELEASE

EBF notes fresh US guidance on ‘accidental Americans’

- **US Treasury clarifies requirements for U.S. Tax Identification Numbers**
- **Foreign banks will not be systematically in significant non-compliance**

BRUSSELS, 5 October – The European Banking Federation notes the updated guidance published recently by the United States Treasury clarifying how foreign banks need to act when they are unable to collect and report US Tax Identification Numbers (TIN) for existing customers with US indications.

The updated guidance is good news for people known as ‘accidental Americans,’ who are unable to comply fully with the Foreign Account Tax Compliance Act (FATCA) because they cannot provide their European banks with a US tax number. This is particularly problematic for people who for example left the US decades ago and never returned, or for people who were only born in the US and there stayed only for a very brief period.

Many of these customers do not have a TIN and often encounter difficulties and long delays before obtaining one. The problematic nature of the “accidental American” situation was already previously acknowledged by the Treasury and Internal Revenue Service.

Many European banks, defined as ‘Foreign Financial Institutions’ in the US, were concerned that by offering services to ‘accidental Americans’ they might be considered as being in significant non-compliance with the due diligence requirements of FATCA and related Intergovernmental Agreements (IGA). Banks feared they might be penalized with the application of a 30% FATCA withholding tax on all US payments made to them.

US Treasury Notice 2017-47¹ now has clarified that Foreign Financial Institutions in Model 1 IGA jurisdictions will not be systematically in significant non-compliance with an applicable IGA during 2017, 2018, and 2019 solely as a result of a failure to report U.S. TINs. In order to be relieved from the non-compliance status, the Foreign Financial Institution will have to report the account holder’s date of birth, make annual requests for the TIN, and search its electronic records for missing U.S. TINs before reporting information on 2017.

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¹ *Revised Guidance Related to Obtaining and Reporting Taxpayer Identification Numbers and Dates of Birth by Financial Institutions* <https://www.irs.gov/pub/irs-drop/n-17-46.pdf>

About the EBF:

The European Banking Federation is the voice of the European banking sector, uniting 32 national banking associations in Europe that together represent some 3,500 banks – large and small, wholesale and retail, local and international – employing about two million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that securely handle more than 400 million payment transactions per day. Launched in 1960, the EBF is committed to creating a single market for financial services in the European Union and to supporting policies that foster economic growth.