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CIRCULAR

PFRDA/2014/10/CORD/01

To,

All PFRDA Intermediaries,

Date: 31.12.2014

Dear Sir/Madam,

Sub: Registration for the purpose of Foreign Accounts Tax Compliance Act (FATCA)

1. The Government of India has informed PFRDA vide communication dated December 31, 2014 that as per the FAQ published on the US Internal Revenue Service (IRS) website, Foreign Financial Institutions (FFIs) in Model 1 jurisdictions need to register with the US IRS and obtain a Global Intermediary Identification Number (GIIN) before January 01, 2015, or at the earliest, in order to avoid withholding. The FFIs who have registered but have not obtained a GIIN should indicate to the withholding agents that the GIIN is applied for. The FAQ published on the IRS website (updated as on December 22, 2014), is placed as Annexure to this circular and is also available at: <http://www.irs.gov/Businesses/Corporations/Frequently-Asked-Questions-FAQs-FATCA--Compliance-Legal#IGA> .
2. All PFRDA intermediaries who maintain US reportable accounts, as defined in the Model 1 Inter-Governmental Agreement, may take action appropriately. Information on the IGA is available at: <http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA.aspx> .


Sumeet Kaur Kapoor
(General Manager)

Annexure

FAQ published on the US IRS website updated on December 22, 2014

<p>Q8.</p>	<p>Announcement 2014-38 provides that a jurisdiction that is treated as if it has an IGA in effect, but that has not yet signed an IGA, retains such status beyond December 31, 2014, provided that the jurisdiction continues to demonstrate firm resolve to sign the IGA that was agreed in substance. Given this additional time to sign the IGA, does a reporting Model 1 FFI in such a jurisdiction need to register and obtain a GIIN before January 1, 2015?</p> <p>Added: December 22, 2014</p>	<p>Announcement 2014-38 does not change the requirement in the chapter 4 regulations that for payments made on or after January 1, 2015, in order for withholding not to apply, a withholding agent may treat a reporting Model 1 FFI as a registered deemed-compliant FFI only if the withholding agent has a withholding certificate identifying the payee as a registered deemed-compliant FFI and the withholding certificate contains a GIIN for the payee that is verified in the manner described in those regulations. Thus, to avoid withholding on certain payments made on or after January 1, 2015, a reporting Model 1 FFI should register and obtain a GIIN to properly certify its status to a withholding agent required to document the FFI for chapter 4 purposes. A reporting Model 1 FFI that has registered but not yet obtained a GIIN should indicate to its withholding agent that its GIIN is "applied for," and in such case, the withholding agent will have 90 days from the date it receives the Form W-8 to obtain a GIIN and to verify the accuracy of the GIIN against the published IRS FII list before it has reason to know that the payee is not a registered deemed-compliant FFI.</p> <p>Announcement 2014-38 similarly does not change the timing of any other due diligence and reporting requirements in the chapter 4 regulations.</p>
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