



U.S. Information Reporting – Form 8966

Information reporting and withholding tax services



Form 8966 (and its associated XML Schema used for electronic filings) is used to report to the Internal Revenue Service (IRS) information about certain U.S. accounts and U.S. owners of specified types of foreign entities.

KPMG can assist in the preparation and filing of Form 8966, FATCA Report

Unlike Forms 1099 and 1042-S, which are exclusively driven by reportable payments, a withholding agent's Form 8966 reporting obligation arises based on the FATCA statuses of the account holders of the accounts it maintains and, for U.S. withholding agents, the reportable payments it makes. This compliance burden is further complicated as the information required on Form 8966 is dependent on the type of withholding agent, the type of account reported, and the tax year.

Given that FATCA's goal is to obtain the information required by Form 8966, it is essential for withholding agents to manage the complexities described above, identify reportable accounts, and report the required information in the time and manner prescribed by the IRS. Most withholding agents will satisfy their Form 8966 reporting requirements by submitting a FATCA XML Schema to the IRS through the International Data Exchange Services (IDES) Gateway. Withholding agents in Model 1 Intergovernmental Agreement jurisdictions, however, must submit the required information to their local tax authority in accordance with local rules.

operational burdens, mitigating the risk of error, and adapting current processes to account for FATCA obligations.

Assistance ranges from providing spreadsheet templates to help facilitate completion of required forms to providing reporting advice specifically tailored to your circumstances. Our team has extensive experience, with employment backgrounds ranging from national taxing authorities to major financial institutions both in the United States and overseas.



Form 8966 and XML Schema Reporting Services

E-filing of forms

KPMG can help you submit properly formatted XML Schema to the IRS through the IDES Gateway. We do this by first providing you with easy-to-populate template forms, which we then use to prepare the schema for electronic transmission. In addition, where local reporting is required, professionals from KPMG International firms around the world can help ensure all local reporting requirements are met. To streamline the process, we use tax analysis and tools working in collaboration with your tax team.



How can KPMG help?

KPMG LLP's (KPMG) Information Reporting and Withholding Tax Services professionals can provide various levels of assistance aimed at reducing

Data scrubbing, preparation, and e-filing of forms

If you require assistance with data preparation, KPMG can analyze your raw static and transactional data to identify accounts subject to FATCA reporting. We then convert this information into the appropriate format by preparing the required data and populating templates for Forms 8966, XML Schema, or local reporting submissions. After receiving your approval, we file these forms with the IRS or local tax authority, as appropriate. With this approach, KPMG drives the reporting process from start to finish.

FATCA reporting advisory services

In addition to the services described above, the KPMG Tax Information Reporting and Withholding Tax Services team can advise you on optimal organizational governance for implementing processes and procedures to comply with FATCA requirements. We can assist with the setup of

automated processes that will help facilitate year-end information reporting on a go-forward basis. In addition, KPMG offers the KPMG AEOI Updates & Tracking Service, a subscription-based advisory service to keep you abreast of what is happening with respect to FATCA and other tax transparency regimes.

KPMG IRW e-Delivery Tool

KPMG offers a customizable electronic document delivery system where your clients/account holders recipients can securely log in and download the PDF version of their Form 8966. You can customize the portal to offer your recipients a familiar look and feel for a positive user experience. The system is easy to navigate and allows you to manage user access and consents for electronic delivery. This will allow you to manage costs associated with increasing print and mail fees as well as enhance client service as your clients will be able to access the tax forms on demand.

Contact us

To learn more about KPMG Information Reporting and Withholding Tax Services, contact one of the professionals listed below or visit read.kpmg.us/irw.

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