



KPMG AEOI Updates & Tracking Service FATCA Alert



Date:	03 March 2026	Alert Type:	Announcement
Country:	United States	Regime:	FATCA

United States: IRS Announces Electronic Filing Requirement for Form 1042 for Tax Year 2025

On 20 February 2026, the Internal Revenue Service (IRS) issued an alert, reminding certain Qualified Intermediaries (QIs), Withholding Foreign Partnerships (WPs), and Withholding Foreign Trusts (WTs) of the requirement to electronically file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, for tax year 2025 through the Modernized E-File (MeF) platform. The alert makes clear that the administrative relief previously provided under IRS Notice 2024-26, [here](#), which had temporarily exempted certain withholding agents from the Form 1042 electronic filing requirement, has expired.

Electronic filing of Form 1042 is required if the withholding agent:

- Is a Financial Institution (FI) for Foreign Account Tax Compliance Act (FATCA) purposes;
- Is required to file 10 or more information returns during the calendar year; or
- Is a partnership with more than 100 partners.

To file Form 1042 electronically through MeF, withholding agents can register and file directly through the IRS e-file program, provided all requirements are met. Alternatively, IRS-approved commercial tax software can be used or a withholding agent can file via an authorized e-file provider that supports Form 1042.

US Contacts:



Laurie Hatten-Boyd
Principal
lhattenboyd@kpmg.com



Kelli Wooten
Principal
kwooten@KPMG.com

Reference: [Announcement](#).

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

Contact us



Laurie Hatten-Boyd
Principal
T: +1 206 213 4001
E: lhattenboyd@kpmg.com



Kelli Wooten
Principal
T: +1 404 739 5888
E: kwooten@KPMG.com

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