KPMG AEOI Updates & Tracking Service FATCA Alert

Date:	20 August 2026	Alert Type:	Announcement
Country:	Germany	Regime:	FATCA

Germany: Issued FATCA Newsletter 07/2026

On 5 August 2026, the Federal Central Tax Office of Germany (BZSt) issued FATCA Newsletter 07/2026, which includes the following updates:

— **Upcoming Changes to the FATCA Processing Protocol Schema:**

The BZSt anticipates that the forthcoming update to the FATCA processing protocol schema will take place between early and mid-December 2026. As a result of this update, Reporting Financial Institutions (RFIs) may need to implement corresponding system adjustments.

To assist RFIs in preparing for these changes, the BZSt has published sample XML files on its website (found here) under the heading "*Downloads for Feedback and Protocols*".

— **Additional Guidance on FATCA XML Submissions:**

In response to the increasing number of inquiries regarding the rejection of FATCA reports submitted through the XML upload functionality, the BZSt has provided the following additional guidance:

— RFIs must not use DIP envelopes when submitting FATCA reports via the XML upload functionality, as DIP envelopes are not permitted for XML uploads.

— The use of incorrect encoding can result in schema validation errors, leading to the rejection of submitted reports.

Accordingly, FATCA reports should be encoded using UTF-8 (rather than UTF-8 BOM), and the encoding information

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should be specified in the XML declaration on the first line of the file, immediately following version="1.0". For example:

<?xml version="1.0" encoding="utf-8"?>.

The correct XML schema is available on the BZSt website (found here).

The BZSt also reminds RFIs that additional technical guidance, including details on the XML upload functionality, is available in the *Communication Manual Part 1 – FATCA* (found here) and Chapter 7 of the *DIP Standard Communication Manual* (found here).

— **Resolution of FATCA Form Saving Issues:**

The BZSt confirms that the issues affecting the caching and temporary storage of FATCA forms, previously reported in FATCA Newsletter 06/2026 (see here for a KPMG alert on the FATCA Newsletter 06/2026), have been resolved. FATCA forms can now be saved without restrictions.

— **Information on Session-Related Errors in FATCA Forms:**

The BZSt has identified new portal-related issues affecting the online forms. In certain cases, users may experience session terminations when navigating between the report overview page and the report summary page. The technical team is currently investigating the issue and has not yet provided an estimated resolution date.

To reduce the risk of errors, the BZSt recommends that RFIs split submissions containing a large number of reports into multiple FATCA1 reports.

— **No Extension of the FATCA Reporting Deadline:**

In response to the increasing number of requests for a deadline extension, the BZSt has clarified that the statutory deadline for submitting FATCA reports cannot be extended or suspended by the BZSt.

While technical issues and system inconsistencies have affected FATCA submissions, the BZSt notes that responsibility for determining whether FATCA reports have been submitted completely and on time rests with the AIA Audit Department.

The FATCA department of the BZSt has indicated that it will inform the AIA Audit Department of the technical issues encountered during the reporting period. Ifan audit is conducted, these circumstances may be taken into account as part of the individual case assessment.

— **Response to Common Inquiries:**

The BZSt has advised RFIs to review the relevant guidance materials before submitting inquiries, as many questions are already addressed in the communication manuals and other documentation available on the BZSt website (found here, and here).

The BZSt further notes that inquiries will continue to be processed in the order in which they are received, subject to available resources.

Reference (German): FATCA Newsletter 07/2026

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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/CRS/CARF Insights page, here.

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