
STATUTORY INSTRUMENTS

2013 No. 1962

The International Tax Compliance (United States of America) Regulations 2013

Obligations in relation to financial accounts

Modification of due diligence requirements

7.—(1) This regulation modifies the due diligence requirements set out in regulation 6 in the case of a reporting financial institution but only if it makes an election applying those modifications.

(2) If the institution obtains, or is in the process of obtaining, evidence of a person's U.S. status in relation to any 30th June 2014 account, it is entitled to rely on the evidence in relation to any post-June 2014 account unless it has reasonable cause to believe that the person's U.S. status has subsequently changed.

(3) Paragraph (2) has effect in the case of 30th June 2014 individual accounts maintained by the institution for an account holder only if, for the purpose of establishing which of the procedures referred to in regulation 6(3)(a) and (b) or regulation 6(4)(a) to (c) are applicable to those accounts, the institution treats all those accounts as a single 30th June 2014 individual account.

(4) If the institution or a related entity obtains, or is in the process of obtaining, evidence of a person's U.S. status in relation to a financial account, the institution is entitled to rely on the evidence in relation to all financial accounts maintained by the institution for the account holder unless the institution has reasonable cause to believe that the person's U.S. status has subsequently changed.

(5) The due diligence requirements set out in regulation 6 do not need to be met in relation to a financial account if—

- (a) the institution maintains the account as a result of a merger with, or acquisition of, a qualifying financial institution which had established the U.S. status of the account holder and any controlling person, and
- (b) the institution has no reasonable cause to believe that the U.S. status of the account holder or any controlling person has changed.

(6) For this purpose “qualifying financial institution”, in relation to a financial institution, means another financial institution—

- (a) which has not previously been a related entity of the institution, and
- (b) which immediately before the merger or acquisition was a partner jurisdiction financial institution but was neither a registered deemed-compliant financial institution nor a non-participating financial institution.

(7) An election under this regulation—

- (a) is to be made by being given to the Commissioners,
- (b) must be in such form as may be determined by the Commissioners, and
- (c) has effect in relation to all times on or after the day on which the election is made (unless subsequently withdrawn).