



## St. Christopher (St. Kitts) & Nevis Inland Revenue Department

# Industry Advisory

**BASSETERRE, ST. KITTS, 14<sup>th</sup> February 2025 (Inland Revenue Department) – The AEOI Competent Authority for the Federation of St. Kitts and Nevis issues guidance on Tax Identification Number (TIN) Requirements for CRS and FATCA Reporting.**

The Automatic Exchange of Information (AEOI) frameworks under the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA) require Financial Institutions (FIs) to report information about financial accounts held by foreign tax residents. An integral part of these reporting obligations includes the collection and reporting of Tax Identification Numbers (TINs).

### **CRS TIN Requirements:**

FIs must obtain the TINs for all account holders and controlling persons who are tax residents of jurisdictions that require the collection of TINs. This includes individuals and entities.

FIs are required to perform a "reasonableness test" to ensure the TINs provided by account holders appear valid. This involves checking that the TIN format aligns with the expected format for the jurisdiction of tax residence. The OECD has compiled a list of [jurisdiction-specific information](#) as it relates to domestic rules governing the issuance, structure, use and validity of TINs or their functional equivalents. This information is preliminary guidance to assist FIs in their due diligence.

There are circumstances where a TIN may not be provided by an account holder, such as when a jurisdiction does not issue TINs to certain individuals. In such cases, the FI should document the valid reasons and keep on file. FIs should retain documentation related to the collection and verification of TINs as part of their due diligence procedures. This documentation should be maintained for at least six years.

Failure to comply with CRS TIN requirements may result in penalties under CRS legislation. Consequently, it is essential for Financial Institutions to make reasonable efforts to collect and report accurate TINs.

### **FATCA TIN Requirements:**

For accounts held by U.S. persons or entities with substantial U.S. owners, the FI must obtain and report the U.S. TIN (usually a Social Security Number or Employer Identification Number).





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U.S. TINs can be collected using the relevant IRS forms, such as Form W-9 for U.S. persons or Form W-8BEN for foreign individuals with U.S. source income.

For pre-existing accounts, FIs should have procedures in place to request TINs from account holders if they are not already on file. Failure to provide a TIN may result in the account being classified as non-compliant.

Non-compliance with FATCA TIN requirements can result in penalties, including withholding taxes on certain U.S. source payments to the FI. Therefore, it is crucial that FIs make reasonable efforts to obtain and report accurate TINs.

If the IRS issued TIN codes, such as '22222222' are used, these will trigger error notifications from the IRS to indicate the entry is invalid. The error notification will provide 120 days to correct the issues to avoid penalties for significant non-compliance due to a failure to report each required U.S. TIN. Please see the Reporting FAQs on our website [www.sknird.com](http://www.sknird.com) within the International Tax/FATCA section for the different occurrences when a TIN has not been obtained by FIs.

For further St. Kitts and Nevis FATCA and CRS updates and information, visit the St. Kitts and Nevis CRS Competent Authority information page at [www.sknird.com](http://www.sknird.com) or contact us via email at [aeoi.skn@ird.gov.kn](mailto:aeoi.skn@ird.gov.kn) providing details of your questions/concern.

### Competent Authority for Exchange of Information

  
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**Authorized Signatory**