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SECTION 3, SUB-SECTION (ii)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES

Notification

New Delhi, the 7th August, 2015

S.O. 2155(E) - In exercise of the powers conferred by section 285BA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Government with respect to registration of persons, due diligence and maintenance of information, and the Board for matters relating to statement of reportable accounts, hereby make the following rules further to amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (11th Amendment) Rules, 2015.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), after rule 114E, the following rules shall be inserted, namely:-

‘114F Definitions.- For the purpose of this rule and rules 114G and 114H,-

(1) “financial account” means an account (other than an excluded account) maintained by a financial institution, and includes-

- (i) a depository account;
- (ii) a custodial account;
- (iii) in the case of an investment entity, any equity or debt interest in the financial institution.

Explanation.- For the purposes of this sub-clause “financial account” shall not include any equity interest or debt interest in an entity that is an investment entity solely because it,-

- (a) renders investment advice to, and acts on behalf of; or
- (b) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering financial assets deposited in the name of the customer with a financial institution that is not a non-participating financial institution other than such entity;
- (iv) in the case of a financial institution not described in sub-clause (iii), any equity or debt interest in the financial institution, if the class of interests was established with a purpose of avoiding reporting in accordance with rule 114G

and, in case of a U.S. reportable account, if the value of the debt or equity interest is determined, directly or indirectly, primarily by reference to assets that give rise to U.S. source withholdable payments; and

- (v) any cash value insurance contract and any annuity contract issued or maintained by a financial institution, other than a non-investment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an excluded account.

Explanation.- For the purposes of this clause,-

- (a) “depository account” includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a financial institution in the ordinary course of a banking or similar business and also an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon;
- (b) “custodial account” means an account (other than an insurance contract or annuity contract) for the benefit of another person that holds one or more financial assets;
- (c) “equity interest” in a financial institution, being-
 - (i) a partnership firm, means either a capital or profits interest in the partnership firm;
 - (ii) a trust, means any interest held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust;

Explanation.- A person will be treated as a beneficiary of a trust if he has the right to receive directly or indirectly a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.

- (d) “insurance contract” means a contract (other than an annuity contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk;
- (e) “annuity contract” means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals;
- (f) “cash value insurance contract” means an insurance contract (other than an indemnity reinsurance contract between two insurance companies) that has a cash value and in case of a U.S. reportable account such value is greater than an amount equivalent to fifty thousand U.S. dollars.

Explanation.- For the purposes of this clause, a single premium life insurance contract which does not permit an amount to be paid on surrender or termination of the contract and which does not allow amounts to be borrowed under or with regard to the contract, shall not constitute a cash value insurance contract;

- (g) “cash value” means the greater of-
- (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan); and
 - (ii) the amount the policyholder can borrow under or with regard to the contract,

but does not include an amount payable under an insurance contract,-

- (A) solely by reason of the death of an individual insured under a life insurance contract including a refund of a previously paid premium provided such refund is a limited risk refund; or
- (B) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against; or
- (C) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an insurance contract (other than a life insurance contract or an annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract; or
- (D) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an insurance contract under which the only benefits payable are described in sub-clause (ii); or
- (E) as a return of an advance premium or premium deposit for an insurance contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium which will be payable under the contract:

Provided that the provisions contained in sub-clause (A) and sub-clause (E) shall not apply in case of a U.S. reportable account;

- (h) “excluded account” means,-
- (i) a retirement account or pension account that satisfies the following requirements, namely:-
 - (A) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);
 - (B) the account is tax-favoured where contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross total income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate;

- (C) information reporting is required to the income-tax authorities with respect to the account;
- (D) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and
- (E) either annual contributions are limited to an amount equivalent to fifty thousand U.S. dollars or less, or there is maximum lifetime contribution limit to the account of an amount equivalent to one million U.S. dollars or less, in each case applying the rules specified in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation.

Explanation.- A financial account that otherwise satisfies the requirements of item (E) will not fail to satisfy such requirements solely because such financial account may receive assets or funds transferred from one or more financial accounts that meet the requirements of item (A) or (B) or from one or more retirement or pension funds that meets with the requirements of clauses (e), (f) or (g) of *Explanation* to clause (1);

(ii) an account that satisfies the following requirements, namely:-

- (A) the account is subject to regulation as a savings vehicle for purposes other than for retirement, or the account (other than U.S. reportable account) is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market;
- (B) the account is tax-favoured where contributions to the account that will otherwise be subject to tax are deductible or excluded from the total income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate;
- (C) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and
- (D) annual contributions are limited to an amount equivalent to fifty thousand U.S. dollars or less, applying the rules specified in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation.

Explanation.- A financial account that otherwise satisfies the requirements of item (D) will not fail to satisfy such requirements solely because such financial account may receive assets or funds transferred from one or more financial accounts that meet the requirements of item (A) or (B) or from one or more retirement or

- pension funds that meets the requirements of clauses (e), (f) or (g) of *Explanation* to clause (1) of this rule;
- (iii) an account established under the Senior Citizens Savings Scheme Rules, 2004 made under the Government Savings Banks Act, 1873 (5 of 1873).
 - (iv) a life insurance contract with a coverage period that will end before the insured individual attains age of ninety years, provided that the contract satisfies the following requirements, namely:-
 - (A) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age of ninety years, whichever is shorter;
 - (B) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;
 - (C) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and
 - (D) the contract is not held by a transferee for value;
 - (v) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate;
 - (vi) an account established in connection with any of the following:
 - (A) a court order or judgment;
 - (B) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements, namely:-
 - (a) the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a financial asset that is deposited in the account in connection with the sale, exchange, or lease of the property;
 - (b) the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;
 - (c) the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates;
 - (d) the account is not a margin or similar account established in connection with a sale or exchange of a financial asset; and

- (e) the account is not associated with a depository account referred to in sub-clause (vii);
- (C) an obligation of a financial institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time;
- (D) an obligation of a financial institution solely to facilitate the payment of taxes at a later time;
- (vii) in the case of an account other than a U.S. reportable account, a depository account that satisfies the following requirements, namely:-
 - (A) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and
 - (B) beginning on or before the 31st December, 2015, the financial institution implements its policies and procedures either to prevent a customer from making an overpayment in excess of an amount equivalent to fifty thousand U.S. dollars, or to ensure that any customer overpayment in excess of an amount equivalent to fifty thousand U.S. dollars is refunded to the customer within sixty days, in each case applying the rules specified in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation and for this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but includes credit balances resulting from merchandise returns;
- (2) “financial asset” includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), insurance contract or annuity contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, insurance contract, or annuity contract:
Provided that “financial asset” shall not include a non-debt and direct interest in an immovable property;
- (3) “financial institution” means a custodial institution, a depository institution, an investment entity, or a specified insurance company.

Explanation.- For the purposes of this clause,-

- (a) “custodial institution” means any entity that holds, as a substantial portion of its business, financial assets for the account of others and where its income attributable to the holding of financial assets and related financial services equals or exceeds twenty per cent. of its gross income during the three financial years

preceding the year in which determination is made or the period during which the entity has been in existence, whichever is less;

(b) “depository institution” means any entity that accepts deposits in the ordinary course of a banking or similar business;

(c) “investment entity” means any entity,-

(A) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer, namely:-

(i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or

(ii) individual and collective portfolio management; or

(iii) otherwise investing, administering, or managing financial assets or money on behalf of other persons; or

(B) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity mentioned in sub-clause (A) of this clause.

Explanation 1.- An entity is treated as primarily conducting as a business one or more of the activities described in sub-clause (A) of this clause, or an entity’s gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of sub-clause (B) of this clause, if the entity’s gross income attributable to the relevant activities equals or exceeds fifty per cent. of the gross income of the entity during the shorter of the three-year period ending on 31st March of the year preceding the year in which the determination is made or the period during which the entity has been in existence.

Explanation 2.- The term “investment entity” shall not include an entity that is an active non-financial entity merely because it meets any of the criteria provided in sub-clauses (iv), (v), (vi) or (vii) of clause (A) of *Explanation* to clause (6) of this rule;

(d) “specified insurance company” means any entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract;

(4) “non-participating financial institution” means a financial institution defined in clause (r) of Article 1 of the agreement between the Government of the Republic of India and the Government of the United States of America to improve international tax compliance and to implement Foreign Account Tax Compliance Act of the United States of America (herein after referred to as the FATCA agreement), but does not include,-

(a) an Indian financial institution; or

(b) other jurisdiction, being a jurisdiction that has in effect an agreement with the United States of America to facilitate the implementation of Foreign Account

Tax Compliance Act (herein after referred to as other partner jurisdiction),
financial institution,

other than a financial institution treated as a non-participating financial institution pursuant to sub-paragraph (b) of paragraph 2 of Article 5 of the FATCA agreement or the corresponding provision in an agreement between the United States of America and other partner jurisdiction;

- (5) “non-reporting financial institution” means any financial institution that is,-
- (a) a Governmental entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a specified insurance company, custodial institution, or depository institution;
 - (b) a Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental entity, International Organization or Central Bank;
 - (c) a non-public fund of the armed forces, Employees’ State Insurance Fund, a gratuity fund or a provident fund;
 - (d) an entity that is an Indian financial institution only because it is an investment entity, provided that each direct holder of an equity interest in the entity is a financial institution referred to in sub-clauses (a) to (c), and each direct holder of a debt interest in such entity is either a depository institution (with respect to a loan made to such entity) or a financial institution referred to in sub-clauses (a) to (c);
 - (e) a qualified credit card issuer;
 - (f) an investment entity established in India that is a financial institution only because it,-
 - (I) renders investment advice to, and acts on behalf of; or
 - (II) manages portfolios for, and acts on behalf of; or
 - (III) executes trades on behalf of,a customer for the purposes of investing, managing, or administering funds or securities deposited in the name of the customer with a financial institution other than a non-participating financial institution;
 - (g) an exempt collective investment vehicle;
 - (h) a trust established under any law for the time being in force to the extent that the trustee of the trust is a reporting financial institution and reports all information required to be reported under rule 114G with respect to all reportable accounts of the trust;
 - (i) a financial institution with a local client base;
 - (j) a local bank;
 - (k) a financial institution with only low-value accounts;
 - (l) sponsored investment entity and controlled foreign corporation, in case of any U.S. reportable account; or

(m) sponsored closely held investment vehicle, in case of any U.S. reportable account.

Explanation.- For the purpose of this clause,-

(A) “Governmental entity” means the Government of a country or territory, any political subdivision of a country or territory (including a state, province, county, or municipality), or any wholly owned agency or instrumentality or controlled entity of a country or territory or of any one or more of the foregoing (where each is also a “Governmental entity”) and includes the integral parts, controlled entities, and political subdivisions of such country or territory.

Explanation.- For the purpose of clause (A),-

(i) an “integral part” of a country or territory means any person, organisation, agency, bureau, fund, instrumentality, or other body, by whatever name called, that constitutes a governing authority of a country or territory and the net earnings of the governing authority must be credited to its own account or to other accounts of the country or territory, with no portion inuring to the benefit of any private person:

Provided that an integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity: Provided further that the income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a Governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of a Department of Government:

Provided also that income is considered to inure to the benefit of private persons if the income is derived from the Governmental entity engaged in a commercial business, such as a commercial banking business, which provides financial services to private persons;

(ii) a controlled entity means an entity that is separate in form from the country or territory or that otherwise constitutes a separate juridical entity:

Provided that-

(a) the entity is wholly owned and controlled by one or more Governmental entities directly or through one or more controlled entities;

(b) the entity’s net earnings are credited to its own account or to the accounts of one or more Governmental entities, with no portion of its income inuring to the benefit of any private person; and

(c) the entity’s assets vest in one or more Governmental entities upon dissolution:

Provided further that the income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a Governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of a Department of Government:

Provided also that income is considered to inure to the benefit of private persons if the income is derived from Governmental entity engaged in a commercial business, such as a commercial banking business, which provides financial services to private persons;

- (B) “International Organisation” means any international organization or wholly owned agency or instrumentality thereof including any inter-Governmental organisation,-
- (a) that is comprised primarily of Governments;
 - (b) that has in effect a headquarters or substantially similar agreement with India; and
 - (c) the income of which does not inure to the benefit of private persons;
- (C) “Central Bank” means a bank that is by law or Government sanction the principal authority, other than the Government of the country or territory itself, issuing instruments intended to circulate as currency including an instrumentality that is separate from the Government of the country or territory, whether or not owned in whole or in part by that country or territory;
- (D) “Treaty Qualified Retirement Fund” means a fund established in India, provided that the fund is entitled to benefits under an agreement between India and the Government of any country or territory outside India on income that it derives from sources within such country or territory outside India (or would be entitled to such benefits if it derived any such income) as a resident of India that satisfies any applicable limitation on benefits requirement, and is operated principally to administer or provide pension or retirement benefits;
- (E) “Broad Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries who are current or former employees (or persons nominated by such employees) of one or more employers in consideration for services rendered:
- Provided that the fund,-
- (i) does not have any beneficiary with a right to more than five per cent. of the fund’s assets;
 - (ii) is subject to Government regulation and provides information reporting to the income-tax authorities; and
 - (iii) satisfies at least one of the following requirements, namely:-
 - (a) the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan;
 - (b) the fund receives at least fifty per cent of its total contributions [other than transfer of assets from other plans referred to in clauses (D) to (G) or from retirement and pension accounts referred to in sub-clause (i) of clause (h) of *Explanation* to clause (1)] from the sponsoring employers;

- (c) distributions or withdrawals from the fund are allowed only in the event of retirement, disability or death [except rollover distributions to other retirement funds referred to in clauses (E) to (G), or retirement and pension accounts referred to in sub-clause (i) of clause (h) of *Explanation* to clause (1)], or penalties which apply to distributions or withdrawals made before such events; or
 - (d) contributions (other than permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed an amount equivalent to fifty thousand U.S. dollars annually, applying the procedures set forth in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation;
- (F) “Narrow Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits to beneficiaries who are current or former employees (or persons nominated by such employees) of one or more employers in consideration for services rendered:
 Provided that,-
- (i) the fund has less than fifty participants;
 - (ii) the fund is sponsored by one or more employers who are not investment entities or passive non-financial entities;
 - (iii) the employee and employer contributions to the fund [other than transfer of assets from retirement and pension accounts referred to in sub-clause (i) of clause (h) of *Explanation* to clause (1)] are limited by reference to earned income and compensation of the employee, respectively;
 - (iv) participants who are not residents in India are not entitled to more than twenty per cent of the fund’s assets; and
 - (v) the fund is subject to Government regulation and provides information reporting to the income-tax authorities;
- (G) “Pension Fund of a Governmental entity, International Organisation or Central Bank” means a fund established by a Governmental entity, International Organisation or Central Bank to provide retirement, disability or death benefits to beneficiaries or participants who are current or former employees (or persons nominated by such employees), or who are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services rendered to the Governmental entity, International Organisation or Central Bank;
- (H) “non-public fund of the armed forces” means a fund established in India as a regimental fund or non-public fund by the armed forces of the Union of India for the welfare of the current and former members of the armed forces and whose income is exempt from tax under clause (23AA) of section 10 of the Act;
- (I) “Employees’ State Insurance Fund” means the fund established as Employees’ State Insurance Fund under the provisions of the Employees’ State Insurance

Act, 1948 (34 of 1948), to provide medical expenses of low-income factory workers in India;

(J) “gratuity fund” means a fund established under the Payment of Gratuity Act, 1972 (39 of 1972), to provide for the payment of a gratuity to certain types of employees of an Indian employer specified in the Payment of Gratuity Act, 1972;

(K) “provident fund” means a fund established under the Provident Funds Act, 1925 (19 of 1925) or the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952) to provide current and former employees of Indian employers retirement benefits in consideration for services rendered:

Provided that fund,-

(i) does not have any beneficiary with a right to more than five per cent. of the fund’s assets;

(ii) is subject to Government regulation and provides annual information reporting about its beneficiaries to the income- tax authorities;

(iii) is generally exempt from tax on investment income due to its status as a provident fund; and

(iv) contributions (other than permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed an amount equivalent to fifty thousand U.S. dollars annually, applying the procedures set forth in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation;

(L) “qualified credit card issuer” means a financial institution satisfying the following requirements, namely:-

(i) it is a financial institution only because it is an issuer of credit cards and accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; and

(ii) beginning on or before the 1st July, 2014, the financial institution implements policies and procedures either to prevent a customer from making an overpayment in excess of an amount equivalent to fifty thousand U.S. dollars or to ensure that any customer overpayment in excess of an amount equivalent to fifty thousand U.S. dollars is refunded to the customer within sixty days, in each case applying the rules set forth in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation.

Explanation.-For the purpose of this sub-clause, a customer overpayment does not refer to credit balances to the extent of disputed charges but includes credit balances resulting from merchandise returns;

(M) “exempt collective investment vehicle” means an investment entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through persons other than,-

(i) those referred to in sub-clauses (a) to (c) of clause (6); and

(ii) a non-participating financial institution.

Explanation.- An investment entity which is regulated as a collective investment vehicle does not fail to qualify under this clause as an exempt collective investment vehicle, only because it has issued physical shares in bearer form:

Provided that-

- (i) the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after the 31st December, 2012;
 - (ii) the collective investment vehicle retires all such shares upon surrender;
 - (iii) the collective investment vehicle performs the due diligence procedures set forth in rule 114H and reports any information required to be reported with respect to any such shares when such shares are presented for redemption or other payment; and
 - (iv) the collective investment vehicle has in place policies and procedures to ensure that such shares are redeemed or immobilised as soon as possible, and in any event prior to the 1st January, 2017;
- (N) “financial institution with a local client base” means a financial institution satisfying the following requirements, namely:-
- (i) it has been granted a license and is regulated as a financial institution under any law for the time being in force;
 - (ii) the financial institution does not have a fixed place of business outside India.

Explanation.- For the purposes of this sub-clause, a fixed place of business does not include a location that is not advertised to the public and from which the financial institution performs only administrative support functions; and

- (iii) the financial institution does not solicit customers or account holders outside India.

Explanation.- For the purpose of this sub-clause, a financial institution shall not be considered to have solicited customers or account holders outside India merely because the financial institution,-

(a) operates a website, provided that the website does not specifically indicate that the financial institution provides financial accounts or services to non-residents, and does not otherwise target or solicit customers or account holders who are resident of any country or territory outside India for tax purposes; or

(b) advertises in print media or on a radio or television station which is distributed or aired primarily within India but is also incidentally distributed or aired in other countries, provided that the advertisement does not specifically indicate that the financial institution provides financial accounts or services to non-residents, and does not otherwise target or solicit customers or account holders who are resident of any country or territory outside India for tax purposes;

- (iv) the financial institution is required under any law for the time being in force to identify resident account holders for purposes of either information reporting or withholding of tax with respect to financial accounts held by residents or for purposes of satisfying the due diligence requirements under the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (v) at least ninety eight per cent. of the financial accounts by value maintained by the financial institution are held by residents;
 - (vi) beginning on or before the 30th June, 2014, the policies and procedures of the financial institution are consistent with those set forth in rule 114H, to prevent the financial institution from providing a financial account to any non-participating financial institution and to monitor whether the financial institution opens or maintains a financial account for any reportable person who is not a resident of India (including a non-resident who was a resident of India when the financial account was opened but subsequently ceases to be a resident of India) or any passive non-financial entity with controlling persons who are reportable persons;
 - (vii) such policies and procedures explicitly provide that if any financial account held by a reportable person who is not a resident of India or by a passive non-financial entity with controlling persons who are reportable persons who are not resident of India is identified, the financial institution shall report such financial account as would be required if the financial institution was a reporting financial institution or close such financial account;
 - (viii) with respect to a pre-existing account held by an individual who is not a resident of India or by an entity, the financial institution shall review those pre-existing accounts in accordance with the procedures set forth in rule 114H applicable to pre-existing accounts to identify any reportable account or financial account held by a non-participating financial institution, and shall report such financial account as would be required if the financial institution were a reporting financial institution or close such financial account;
 - (ix) each related entity of the financial institution that is a financial institution must be incorporated or organised in India and, with the exception of any related entity that is a retirement fund referred to in clauses (D) to (G) of this *Explanation*, satisfies the requirements set forth in this clause; and
 - (x) the financial institution must not have policies or practices which discriminate against opening or maintaining financial accounts for individuals who are specified U.S. persons and residents of India;
- (O) “local bank” means a financial institution satisfying the following requirements, namely:-

- (i) the financial institution operates only as (and is licensed and regulated under any law for the time being in force) a bank, or a credit union or similar cooperative credit organisation which is operated without profit;
- (ii) the business of the financial institution consists primarily of receiving deposits from and making loans to, with respect to a bank, unrelated retail customers and, with respect to a credit union or similar cooperative credit organisation, members, provided that no member has a greater than five per cent. interest in such credit union or cooperative credit organisation;
- (iii) the financial institution satisfies the requirements set forth in sub-clauses (ii) and (iii) of clause (N), provided that, in addition to the limitations on the website referred to in sub-clause (iii) of clause (N), the website does not permit the opening of a financial account;
- (iv) the financial institution does not have more than an amount equivalent to one hundred seventy-five million U.S. dollars in assets on its balance sheet, and the financial institution and any related entity, taken together, does not have more than an amount equivalent to five hundred million U.S. dollars in total assets on its consolidated or combined balance sheets; and
- (v) any related entity must be incorporated or organised in India, and any related entity that is a financial institution, with the exception of any related entity that is a retirement fund referred to in clauses (D) to (G) or a financial institution with only low-value accounts referred to in clause (P), must satisfy the requirements set forth in this clause.

Explanation.- Regional Rural Banks constituted under the Regional Rural Bank Act 1976 (21 of 1976), Urban Cooperative Banks constituted under respective State Cooperative Societies Acts or Multi State Cooperative Societies Act, State Cooperative Banks or District Central Cooperative Banks constituted under respective State Cooperative Societies Act and Local Area Banks licensed under the Banking Regulations Act, 1949 (10 of 1949) and regulated and registered as public limited companies under the Companies Act, 1956 (1 of 1956) or Companies Act, 2013 (18 of 2013), that satisfy the requirement under sub-clause (iv) shall be treated as local bank for the purpose of this clause;

- (P) “financial institution with only low-value accounts” means a financial institution satisfying the following requirements, namely:-
- (i) the financial institution is not an investment entity;
 - (ii) no financial account maintained by the financial institution or any related entity has a balance or value in excess of an amount equivalent to fifty thousand U.S. dollars, applying the procedures prescribed in clause (c) of sub-rule (7) of rule 114H for account aggregation and currency translation; and
 - (iii) the financial institution does not have more than fifty million U.S. dollars in assets on its balance sheet, and the financial institution and any related

entities, taken together, do not have more than fifty million U.S. dollars in total assets on their consolidated or combined balance sheets.

(Q) “sponsored investment entity and controlled foreign corporation” means a financial institution described in the following sub-clauses, namely:-

- (i) a financial institution is a sponsored investment entity if-
 - (a) it is an investment entity established in India that is not a qualified intermediary (being an intermediary that is a party to a withholding agreement with the United States of America), withholding foreign partnership, or withholding foreign trust; and
 - (b) an entity has agreed with the financial institution to act as a sponsoring entity for the financial institution;
- (ii) a financial institution is a sponsored controlled foreign corporation if-
 - (a) the financial institution is a controlled foreign corporation established under any law for the time being in force in India that is not a qualified intermediary (being an intermediary which is a party to a withholding agreement with the United States of America), withholding foreign partnership, or withholding foreign trust;
 - (b) the financial institution is wholly owned, directly or indirectly, by a reporting U.S. financial institution referred to in Article 1 of the FATCA agreement that agrees to act, or requires an affiliate of the financial institution to act, as a sponsoring entity for the financial institution; and
 - (c) the financial institution shares a common electronic account system with the sponsoring entity that enables the sponsoring entity to identify all account holders and payees of the financial institution and to access all account and customer information maintained by the financial institution including, but not limited to, customer identification information, customer documentation, account balance, and all payments made to the account holder or payee,

and that complies with the following requirements namely:-

- (I) the sponsoring entity is authorised to act on behalf of the financial institution (such as a fund manager, trustee, corporate director, or managing partner) to fulfil applicable registration requirements of the United States of America;
- (II) the sponsoring entity has registered as a sponsoring entity with the United States of America;
- (III) if the sponsoring entity identifies any U.S. reportable account with respect to the financial institution, the sponsoring entity registers the financial institution pursuant to applicable registration requirements of the United States of America on or before the 31st December, 2015 or the date that is ninety days after such U.S. reportable account is first identified, whichever is later;

- (IV) the sponsoring entity agrees to perform, on behalf of the financial institution, all due diligence, withholding, reporting, and other requirements that the financial institution would have been required to perform if it were a reporting financial institution;
 - (V) the sponsoring entity identifies the financial institution and includes the identifying number of the financial institution (obtained by following applicable registration requirements of the United States of America) in all its reporting completed on the financial institution's behalf; and
 - (VI) the sponsoring entity has not had its status as a sponsor revoked;
- (R) "sponsored, closely held investment vehicle" means a financial institution satisfying the following requirements, namely:-
- (i) it is a financial institution only because it is an investment entity and is not a qualified intermediary (being an intermediary that is a party to a withholding agreement with the United States of America), withholding foreign partnership, or withholding foreign trust;
 - (ii) the sponsoring entity is a reporting U.S. financial institution referred to in Article 1 of the FATCA agreement, reporting financial institution, or participating foreign financial institution defined in Annex II of the FATCA agreement, is authorised to act on behalf of the financial institution (such as a professional manager, trustee, or managing partner), and agrees to perform, on behalf of the financial institution, all due diligence, withholding, reporting, and other requirements which the financial institution would have been required to perform if it were a reporting financial institution;
 - (iii) the financial institution does not act as an investment vehicle for unrelated parties;
 - (iv) twenty or less than twenty individuals own all the debt interests and equity interests in the financial institution (other than debt interests owned by participating foreign financial institution defined in Annex II of the FATCA agreement and non-reporting financial institutions and equity interests owned by an entity if that entity owns hundred per cent. of the equity interests in the financial institution and is itself a sponsored financial institution described in this clause); and
 - (v) the sponsoring entity complies with the following requirements, namely:-
 - (a) it has been registered as a sponsoring entity in terms of the Foreign Account Tax Compliance Act of the United States of America;
 - (b) the sponsoring entity agrees to perform, on behalf of the financial institution, all due diligence, withholding, reporting, and other requirements that the financial institution would have been required to perform if it were a reporting financial institution and retains documentation collected with respect to the financial institution for a period of six years;

- (c) the sponsoring entity identifies the financial institution in all its reporting completed on the financial institution's behalf; and
 - (d) the sponsoring entity has not had its status as a sponsor revoked;
- (6) "reportable account" means a financial account which has been identified, pursuant to the due diligence procedures provided in rule 114H, as held by,-
- (a) a reportable person; or
 - (b) an entity, not based in United States of America, with one or more controlling persons that is a specified U.S. person; or
 - (c) a passive non-financial entity with one or more controlling persons that is a person described in sub-clause (b) of clause (8) of this rule.

Explanation.- For the purpose of this clause,-

- (A) "active non-financial entity" means any non-financial entity which fulfils any of the following criteria, namely:-
- (i) less than fifty per cent of the entity's gross income for the preceding financial year is passive income and less than fifty per cent of the assets held by the entity during the preceding financial year are assets that produce or are held for the production of passive income; or
 - (ii) the stock of the entity is regularly traded on an established securities market or the non-financial entity is a related entity of an entity, the stock of which is regularly traded on an established securities market.

Explanation.- For the purpose of this sub-clause, an established securities market means an exchange that is recognised and supervised by a Governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange;

- (iii) the entity is a Governmental entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of these entities; or
- (iv) substantially all of the activities of the entity consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a financial institution:

Provided that an entity shall not qualify for this status if it functions as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes; or

- (v) the entity is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a financial institution, provided that the entity shall not qualify for this exception after the date that is twenty four months after the date of the initial organisation of the entity; or
- (vi) the entity was not a financial institution in the past five years, and is in the process of liquidating its assets or is reorganising with intent to continue or

recommence operations in a business other than that of a financial institution; or

(vii) the entity primarily engages in financing and hedging transactions with, or for, related entities which are not financial institutions, and does not provide financing or hedging services to any entity which is not a related entity, provided that the group of any such related entities is primarily engaged in a business other than that of a financial institution; or

(viii) the entity fulfils all of the following requirements, namely:-

(a) it is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;

(b) it is exempt from income-tax in India;

(c) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

(d) the applicable laws of the entity's country or territory of residence or the entity's formation documents do not permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than pursuant to the conduct of the entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the entity has purchased; and

(e) the applicable laws of the entity's country or territory of residence or the entity's formation documents require that, upon the entity's liquidation or dissolution, all of its assets must be distributed to a Governmental entity or other non-profit organization, or escheat to the Government of the entity's country or territory of residence or any political sub-division thereof.

Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-

(I) an Investor Protection Fund referred to in clause (23EA);

(II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and

(III) an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;

(B) "controlling person" means the natural person who exercises control over an entity and includes a beneficial owner as determined under sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

Explanation 1.- In determining the beneficial owner, the procedure specified in the following circular as amended from time to time shall be applied, namely:-

- (i) DBOD.AML.BC. No.71/14.01.001/2012-13, issued on the 18th January, 2013 by the Reserve Bank of India; or
- (ii) CIR/MIRSD/2/2013, issued on the 24th January, 2013 by the Securities and Exchange Board of India; or
- (iii) IRDA/SDD/GDL/CIR/019/02/2013, issued on the 4th February, 2013 by the Insurance Regulatory and Development Authority.

Explanation 2.- In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, the said expression means the person in equivalent or similar position;

- (C) “non-financial entity” means any entity that is not a financial institution;
- (D) “passive non-financial entity” means,-
 - (i) any non-financial entity which is not an active non-financial entity; or
 - (ii) an investment entity described in sub-clause (B) of clause (c) of the *Explanation* to clause (3); or
 - (iii) a withholding foreign partnership or withholding foreign trust;
- (E) an entity is a “related entity” of another entity if either entity controls the other entity, or the two entities are under common control.

Explanation.- For the purpose of this clause control includes direct or indirect ownership of more than fifty per cent. of the votes and value in an entity;

- (F) “passive income” includes income by way of,-
 - (i) dividends;
 - (ii) interest;
 - (iii) income equivalent to interest;
 - (iv) rents and royalties (other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the non-financial entity);
 - (v) annuities;
 - (vi) the excess of gains over losses from the sale or exchange of financial assets which gives rise to the passive income;
 - (vii) the excess of gains over losses from transactions (including futures, forwards, options, and similar transactions) in any financial assets;
 - (viii) the excess of foreign currency gains over foreign currency losses;
 - (ix) net income from swaps; or
 - (x) amounts received under cash value insurance contracts:

Provided that passive income will not include, in the case of a non-financial entity that regularly acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer’s business as such a dealer.

- (7) “reporting financial institution” means,-
- (a) a financial institution (other than a non-reporting financial institution) which is resident in India, but excludes any branch of such institution, that is located outside India; and
 - (b) any branch, of a financial institution (other than a non-reporting financial institution) which is not resident in India, if that branch is located in India;
- (8) “reportable person” means,-
- (a) one or more specified U.S. persons; or
 - (b) one or more persons other than,-
 - (i) a corporation, the stock of which is regularly traded on one or more established securities markets;
 - (ii) any corporation that is a related entity of a corporation mentioned in item (i);
 - (iii) a Governmental entity;
 - (iv) an International organisation;
 - (v) a Central bank; or
 - (vi) a financial institution, that is a resident of any country or territory outside India (except the United States of America) under the tax laws of such country or territory or an estate of a decedent who was a resident of any country or territory outside India (except the United States of America) under the tax laws of such country or territory;
- (9) “specified U.S. person” means a U.S. Person, other than the persons referred to in sub-clauses (i) to (xiii) of clause (ff) of Article 1 of the FATCA agreement;
- (10) “U.S. person” means,-
- (a) an individual, being a citizen or resident of the United States of America ;
 - (b) a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof;
 - (c) a trust if,-
 - (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust; and
 - (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust; or
 - (d) an estate of a decedent who was a citizen or resident of the United States of America;
- (11) “U.S. reportable account” means a financial account maintained by a reporting financial institution and, pursuant to the due diligence procedures provided in rule 114H, is identified to be held by one or more specified U.S. persons or by an entity not based in the United States of America with one or more controlling persons which is a specified U.S. Person;
- (12) “U.S. source withholdable payment” means any payment of interest (including any original issue discount), dividends, rents, salaries, wages, premiums, annuities,

compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income, if such payment is from sources within the United States of America:

Provided that a U.S. source withholdable payment shall not include any payment that is not treated as a withholdable payment in relevant Treasury Regulations of the United States of America;

(13) “withholding foreign partnership” means a foreign partnership that has entered into a withholding agreement with the United States of America in which it agrees to assume primary withholding responsibility for all payments which are made to it for its partners, beneficiaries or owners;

(14) “withholding foreign trust” means a foreign trust that has entered into a withholding agreement with the United States of America in which it agrees to assume primary withholding responsibility for all payments which are made to it for its partners, beneficiaries or owners.

114G. Information to be maintained and reported.- (1) The following information shall be maintained and reported by a reporting financial institution in respect of each reportable account, namely:-

- (a) the name, address, taxpayer identification number (assigned to the account holder by the country or territory of his residence for tax purposes) and date and place of birth (in the case of an individual) of each reportable person, that is an account holder of the account;
- (b) in the case of any entity which is an account holder and which, after application of due diligence procedures prescribed in rule 114H, is identified as having one or more controlling persons that is a reportable person,-
 - (i) the name and address of the entity, taxpayer identification number assigned to the entity by the country or territory of its residence; and
 - (ii) the name, address, date and place of birth of each such controlling person and taxpayer identification number assigned to such controlling person by the country or territory of his residence;
- (c) the account number (or functional equivalent in the absence of an account number);
- (d) the account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of relevant calendar year or, if the account was closed during such year, immediately before closure;
- (e) in the case of any custodial account,-
 - (i) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year; and
 - (ii) the total gross proceeds from the sale or redemption of financial assets paid or credited to the account during the calendar year with respect to which the reporting financial institution acted as a custodian, broker, nominee, or otherwise as an agent for the account holder;
- (f) in the case of any depository account, the total gross amount of interest paid or credited to the account during the relevant calendar year;
- (g) in the case of any account other than that referred to in clauses (e) or (f), the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year with respect to which the reporting financial institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the account holder during the relevant calendar year; and
- (h) in the case of any account held by a non-participating financial institution, for calendar year 2015 and 2016, the name of each non-participating financial institution to which payments have been made and the aggregate amount of such payments:

Provided that the information to be reported,-

- (i) with respect to calendar year 2014, is the information referred to in clauses (a), (b), (c) and (d), with regard to U.S. reportable accounts;
- (ii) with respect to calendar year 2015, is the information referred to in clauses (a), (b), (c), (d), (f), (g), (h) and sub-clause (i) of clause (e), with regard to U.S. reportable accounts;
- (iii) with respect to calendar year 2016, is the information referred to in clauses (a) to (h), with regard to all reportable accounts;
- (iv) with respect to calendar year 2017 and subsequent years, is the information referred to in clauses (a) to (g), with regard to all reportable accounts:

Provided further that with respect to each U.S. reportable account which is maintained by a reporting financial institution as on the 30th June, 2014, the taxpayer identification number of any relevant person is not required to be reported if such taxpayer identification number is not in the records of the reporting financial institution.

(2) For the purpose of sub-rule (1),-

- (a) “account holder” means the person listed or identified as the holder of a financial account by the financial institution that maintains the account:

Provided that a person, other than a financial institution, holding a financial account for the benefit or on account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account, and such other person is treated as holding the account:

Provided further that in the case of a cash value insurance contract or an annuity contract, the account holder is any person entitled to receive a payment upon the maturity of the contract or any person entitled to access the cash value or change the beneficiary of the contract and if no person can access the cash value or change the beneficiary, the account holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract;

- (b) “taxpayer identification number” means a number assigned to a person in the country or territory in which he is resident for tax purposes and includes a functional equivalent in case no such number is assigned.

(3) Where the person is a resident of more than one country or territory outside India under the tax laws of such country or territory, the reporting financial institution shall maintain the taxpayer identification number in respect of each such country or territory.

(4) Notwithstanding anything contained in sub-rule (1), with respect to each reportable account which is a pre-existing account, the taxpayer identification number or date of birth is not required to be reported if such taxpayer identification number or date of birth is not in the records of the reporting financial institution:

Provided that the reporting financial institution shall obtain the taxpayer identification number and date of birth with respect to pre-existing accounts by the 31st December, 2016 and shall report it with respect to calendar year 2017 and subsequent years.

(5) Notwithstanding anything contained in sub-rule (1) and sub-rule (4), the taxpayer identification number is not required to be reported if,-

- (i) a taxpayer identification number (including its functional equivalent) is not issued by the relevant country or territory outside India in which the person is resident for tax purposes or;
 - (ii) the domestic law of the relevant country or territory outside India does not require the collection of the taxpayer identification number issued by such country or territory.
- (6) Notwithstanding anything contained in sub-rule (1), the place of birth is not required to be reported unless it is available in the electronically searchable data maintained by the reporting financial institution.

(7) The statement of reportable account required to be furnished under clause (k) of sub-section (1) of section 285BA shall be furnished by a reporting financial institution in respect of each account which has been identified, pursuant to due diligence procedure specified in rule 114H, as a reportable account:

Provided that where pursuant to such due diligence procedures no account is identified as a reportable account, a nil statement shall be furnished by the reporting financial institution.

(8) The statement referred to in sub-rule (7) shall be furnished in Form No. 61B for every calendar year by the 31st day of May following that year:

Provided that the statement pertaining to calendar year 2014 shall be furnished by the 31st day of August, 2015.

(9) (a) The statement referred to in sub-rule (7) shall be furnished to the Director of Income-tax (Intelligence and Criminal Investigation) or the Joint Director of Income-tax (Intelligence and Criminal Investigation) through online transmission of electronic data to a server designated for this purpose under the digital signature in accordance with the data structure specified in this regard by the Principal Director General of Income-tax (Systems).

Explanation.—For the purposes of this sub-rule, “digital signature” means a digital signature issued by any Certifying Authority authorised to issue such certificates by the Controller of Certifying Authorities.

(b) Principal Director General of Income Tax (Systems) shall specify the procedures, data structures and standards for ensuring secure capture and transmission of data, evolving and implementing appropriate security, archival and retrieval policies.

(10) (a) Every reporting financial institution shall communicate to the Principal Director General of Income-tax (Systems) the name, designation and communication details of the Designated Director and the Principal Officer and obtain a registration number;

(b) The statement referred to in sub-rule (7) shall be signed, verified and furnished by the Designated Director of the reporting financial institution on the basis of information available with the institution:

Provided that where the reporting financial institution is a non-resident, the statement may be signed, verified and furnished by a person who holds a valid power of attorney from such Designated Director;

(c) It shall be the duty of every reporting financial institution, its Designated Director, Principal Officer and employees to observe the procedure and the manner of maintaining information as specified by its regulator.

Explanation.- For the purposes of this sub-rule,-

(a) "Designated Director" means a person designated by the reporting financial institution to ensure overall compliance with the obligations imposed under section 285BA and the rules made thereunder and includes—

- (i) the Managing Director or a whole-time Director, as defined in the Companies Act, 2013 (18 of 2013), duly authorised by the Board of Directors if the reporting financial institution is a company;
- (ii) the managing partner if the reporting financial institution is a partnership firm;
- (iii) the proprietor if the reporting financial institution is a proprietorship concern;
- (iv) the managing trustee if the reporting financial institution is a trust;
- (v) a person or individual, as the case may be, who controls and manages the affairs of the reporting financial institution if the reporting financial institution is an association of persons or a body of individuals, or any other person;

(b) "Principal Officer" means an officer designated by the reporting financial institution;

(c) "regulator" means a person or an authority or a Government which is vested with the power to license, authorise, register, regulate or supervise the activities of the reporting financial institution.

(11)(a) The regulator referred to in clause (c) of sub-rule (10) shall issue instructions or guidelines to,-

- (i) incorporate the requirements of reporting and due diligence procedure specified under rules 114F to 114H;
- (ii) provide the procedure and manner of maintaining the information by the reporting financial institution; and
- (iii) ensure the availability of the information referred to in sub-rule (1) with the reporting financial institution for meeting its reporting obligation, if such information is not maintained by it under any rule or regulation issued by the regulator.

(b) Every reporting financial institution shall maintain information in respect of financial accounts in accordance with the procedure and manner as may be specified by its regulator from time to time so as to enable reporting of information prescribed under this rule and perform due diligence procedure specified under rule 114H.

114H. Due diligence requirement.- (1) An account shall be treated as a reportable account beginning as on the date it is identified as such pursuant to the due diligence procedure specified in sub-rule (3) to sub-rule (8) and, unless otherwise provided, information with respect to a reportable account shall be reported annually in the calendar year following the calendar year to which the information relates.

(2) For the purpose of this rule,-

- (a) “documentary evidence” includes any of the following, namely:-
 - (i) a certificate of residence issued by an authorised Government body, including a Government agency or a municipality, of the country or territory in which the payee claims to be a resident;
 - (ii) with respect to an individual, any valid identification issued by an authorized Government body, including a Government agency or a municipality, that includes the individual’s name and is particularly used for identification purposes;
 - (iii) with respect to an entity, any official documentation issued by an authorized Government body, including a Government agency or a municipality, which includes the name of the entity and either the address of its principal office in the country or territory in which it claims to be a resident or the country or territory in which the entity was incorporated or organized;
 - (iv) any financial statement, third-party credit report, bankruptcy filing, or a report of the Government agency regulating the securities market;
- (b) “high value account” means a pre-existing individual account with a balance or value that,-
 - (i) in case of a U.S. reportable account, exceeds an amount equivalent to one million U.S. dollars as on the 30th June, 2014 or 31st December of any subsequent year; and
 - (ii) in case of other reportable account, exceeds an amount equivalent to one million U.S. dollars as on the 31st December, 2015 or 31st December of any subsequent year;
- (c) “lower value account” means a pre-existing individual account with a balance or value that,-
 - (i) in case of a U.S. reportable account, exceeds an amount equivalent to fifty thousand U.S. dollars but does not exceed an amount equivalent to one million U.S. dollars as on the 30th June, 2014; and
 - (ii) in case of other reportable account, does not exceed an amount equivalent to one million U.S. dollars as on the 31st December, 2015;
- (d) “new account” means a financial account maintained by a reporting financial institution opened on or after,
 - (i) in case of a U.S. reportable account, the 1st July, 2014; and
 - (ii) in case of other reportable account, the 1st January, 2016;
- (e) “new entity account” means a new account held by one or more entities;
- (f) “new individual account” means a new account held by one or more individuals;

- (g) “other reportable account” means a reportable account which is not a U.S. reportable account;
 - (h) “pre-existing account” means a financial account maintained by a reporting financial institution as on,-
 - (I) in case of a U.S. reportable account, the 30th June, 2014; and
 - (II) in case of other reportable account, the 31st December 2015;
 - (i) “pre-existing entity account” means a pre-existing account held by one or more entities;
 - (j) “pre-existing individual account” means a pre-existing account held by one or more individuals;
 - (k) where a balance or value threshold is to be determined at the end of a calendar year, the relevant balance or value shall be determined as on the last day of the reporting period which ends with or within that calendar year.
- (3) The due diligence procedure for the purposes of identifying reportable accounts among pre-existing individual accounts shall be the following, namely:-
- (a) a pre-existing individual account is not required to be reviewed, identified or reported, if,-
 - (i) in case of a U.S. reportable account,-
 - (A) the balance or value as on the 30th June, 2014, does not exceed an amount equivalent to fifty thousand U.S. dollars, subject to sub-clause (vi) of clause (c) of this sub-rule; or
 - (B) which is a cash value insurance contract or an annuity contract, the balance or value does not exceed an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014, subject to sub-clause (vi) of clause (c) of this sub-rule; or
 - (C) which is a cash value insurance contract or an annuity contract, the reporting financial institution, under any other law for the time being in force in India or of the United States of America, is prevented from selling such contract to a person who is a resident of the United States of America;
 - (ii) in case of other reportable account, which is a cash value insurance contract or an annuity contract, the reporting financial institution, under any other law for the time being in force in India, is prevented from selling such contract to a person who is not a resident of India for tax purposes;
 - (b) with respect to lower value accounts among pre-existing individual accounts the following procedures shall apply, namely:-
 - (i) the reporting financial institution must review electronically searchable data maintained by the reporting financial institution for any of the following indicia, and apply provisions contained in sub-clauses (ii) to (v), namely:-
 - (A) identification of the account holder as a resident of any country or territory outside India for tax purposes or unambiguous indication of a place of birth in the United States of America; or

- (B) current mailing or residence address (including a post office box) in any country or territory outside India; or
 - (C) one or more telephone numbers in a country or territory outside India and no telephone number in India; or
 - (D) standing instructions (other than with respect to a depository account) to transfer funds to an account maintained in a country or territory outside India; or
 - (E) currently effective power of attorney or signatory authority granted to a person with an address in a country or territory outside India; or
 - (F) a “hold mail” instruction or “in-care-of” address in a country or territory outside India if the reporting financial institution does not have any other address on file for the account holder;
- (ii) if none of the indicia listed in sub-clause (i) are discovered in the electronic search, then no further action is required until there is a change in circumstances which results in one or more indicia being associated with the account, or the account becomes a high value account;
 - (iii) if any of the indicia listed in items (A) to (E) of sub-clause (i) are discovered in the electronic search, or if there is a change in circumstances which results in one or more indicia being associated with the account, then the reporting financial institution shall treat the account holder as resident for tax purposes of each such country or territory for which an indicium is identified, unless it elects to apply sub-clause (v) and one of the exceptions in the said sub-clause applies with respect to that account;
 - (iv) if a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia listed in items (A) to (E) of sub-clause (i) are identified for the account holder, the reporting financial institution shall apply the paper record search referred to in sub-clause (ii) of clause (c), or seek to obtain from the account holder a self-certification or documentary evidence to establish the residence or residences for tax purposes of such account holder:
Provided that if the paper search fails to establish an indicium and the attempt to obtain the self-certification or documentary evidence is not successful, the reporting financial institution shall report the account as an undocumented account;
 - (v) notwithstanding a finding of indicia under sub-clause (i), a reporting financial institution is not required to treat an account holder as a resident, for tax purposes,-
 - (A) of United States of America if, the account holder’s information unambiguously indicates a place of birth in the United States of America and the reporting financial institution obtains, or has previously reviewed and maintains a record of,-

- (I) a self-certification that the account holder is neither a citizen of the United States of America nor its resident for tax purposes;
 - (II) a passport or other Government-issued identification evidencing the account holder's citizenship or nationality in a country other than the United States of America; and
 - (III) a copy of the account holder's certificate of loss of nationality of the United States of America or a reasonable explanation of-
 - (1) the reason, the account holder does not have such a certificate despite relinquishing citizenship of the United States of America; or
 - (2) the reason, the account holder did not obtain citizenship of the United States of America at birth;
- (B) of any country or territory outside India if, the account holder's information contains a current mailing or residence address in any country or territory outside India, one or more telephone numbers in any country or territory outside India (and no telephone number in India) or standing instructions (with respect to financial accounts other than depository accounts) to transfer funds to an account maintained in any country or territory outside India, the reporting financial institution obtains, or has previously reviewed and maintains a record of,-
- (I) a self-certification from the account holder of the country or territory or countries or territories of residence for tax purposes of such account holder that does not include any country or territory outside India; and
 - (II) documentary evidence establishing the account holder's non-reportable status;
- (C) of any country or territory outside India if, the account holder's information contains a currently effective power of attorney or signatory authority granted to a person with an address in a country or territory outside India, or one or more telephone numbers in any country or territory outside India (if an Indian telephone number is also associated with the account), the reporting financial institution obtains, or has previously reviewed and maintains a record of-
- (I) a self-certification from the account holder of the country or territory or countries or territories of residence of such account holder that does not include any country or territory outside India; or
 - (II) documentary evidence establishing the account holder's non-reportable status;
- (c) with respect to high value accounts among pre-existing individual accounts the following enhanced review procedures shall apply, namely:-
- (i) the reporting financial institution must review electronically searchable data maintained by the reporting financial institution for any of the indicia described in sub-clause (i) of clause (b);

- (ii) if the reporting financial institution's electronically searchable databases do not capture all of the information referred to in sub-clause (iii) of this clause, then the reporting financial institution shall also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the reporting financial institution during the last five years for any of the indicia provided in sub-clause (i) of clause (b),-
 - (A) the most recent documentary evidence collected with respect to the account;
 - (B) the most recent account opening contract or documentation;
 - (C) the most recent documentation obtained by the reporting financial institution pursuant to rules framed under the Prevention of Money-laundering Act, 2002 (15 of 2003) or any other law for the time being in force;
 - (D) any power of attorney or signature authority forms currently in effect; and
 - (E) any standing instructions (other than with respect to a depository account) to transfer funds currently in effect:

Provided that where the electronically searchable databases include fields for, and capture all the information referred to in sub-clause (iii) of this clause, then review of the customer master file and documents referred to above shall not be required;
- (iii) a reporting financial institution is not required to perform the paper record search referred in sub-clause (ii) of this clause to the extent the reporting financial institution's electronically searchable information includes the following, namely:-
 - (A) the account holder's residence status for tax purposes;
 - (B) the account holder's residence address and mailing address currently on file with the reporting financial institution;
 - (C) the account holder's telephone number or numbers currently on file, if any, with the reporting financial institution;
 - (D) in the case of financial accounts other than depository accounts, whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the reporting financial institution or another financial institution);
 - (E) whether there is a current "in-care-of" address or "hold mail" instruction for the account holder; and
 - (F) whether there is any power of attorney or signatory authority for the account;
- (iv) in addition to the electronic and paper record searches provided in sub-clauses (i) to (iii) of this clause, the reporting financial institution shall treat as a reportable account any high value account assigned to a relationship manager

(including any financial accounts aggregated with that high value account) if the relationship manager has actual knowledge that the account holder is a reportable person;

- (v) after application of review procedures specified in sub-clauses (i) to (iv) if,-
 - (A) none of the indicia referred to in sub-clause (i) of clause (b) are discovered, and the account is not identified as held by a reportable person as per sub-clause (iv), then further action is not required until there is a change in circumstances which results in one or more indicia being associated with the account;
 - (B) any of the indicia referred to in items (A) to (E) of sub-clause (i) of clause (b) are discovered, or if there is a subsequent change in circumstances which results in one or more indicia being associated with the account, then the reporting financial institution shall treat the account as a reportable account with respect to each country or territory outside India for which an indicium is identified unless it elects to apply sub-clause (v) of clause (b) and one of the exceptions in the said sub-clause applies with respect to that account;
 - (C) a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia referred to in items (A) to (E) of sub-clause (i) of clause (b) are identified for the account holder, the reporting financial institution shall obtain from such account holder a self-certification or documentary evidence to establish the residence or residences for tax purposes of the account holder:
Provided that if the reporting financial institution cannot obtain such self-certification or documentary evidence, it shall report the account as an undocumented account;
- (vi) if a pre-existing individual account is not a high value account as on the 30th June, 2014 (for U.S. reportable account), or as the case may be, 31st December, 2015 (for other reportable account), but becomes a high value account as on the last day of year 2015 (for U.S. reportable account) or last day of any subsequent calendar year (for all reportable accounts), the reporting financial institution shall complete the enhanced review procedures specified in this clause with respect to such account within the calendar year following the year in which the account becomes a high value account and if based on such review the account is identified as a reportable account, the reporting financial institution shall report the required information about such account with respect to the year in which it is identified as a reportable account and subsequent years on an annual basis, unless the account holder ceases to be a reportable person;
- (vii) once a reporting financial institution applies the enhanced review procedures specified in this clause to a high value account, the reporting financial

institution is not required to re-apply such procedures, other than an inquiry by the relationship manager provided in sub-clause (iv), to the same high value account in any subsequent year unless the account is undocumented where the reporting financial institution shall re-apply them annually until such account ceases to be undocumented;

- (viii) if there is a change of circumstances with respect to a high value account which results in one or more indicia referred to in sub-clause (i) of clause (b) being associated with the account, then the reporting financial institution must treat the account as a reportable account with respect to each such country or territory outside India for which an indicium is identified unless it elects to apply sub-clause (v) of clause (b) and one of the exceptions in the said sub-clause applies with respect to that account;
 - (ix) a reporting financial institution shall implement procedures to ensure that a relationship manager identifies any change in circumstances of an account and where the relationship manager is informed that the account holder has a new mailing address in any country or territory outside India, the reporting financial institution is required to treat the new address as a change in circumstances and, if it elects to apply sub-clause (v) of clause (b), then it is required to obtain the appropriate documentation from the account holder;
- (d) review of pre-existing individual account,-
- (i) in case of a U.S. reportable account which is high value account as on the 30th June, 2014, shall be completed by the 31st December, 2015 and if based on this review such account is identified as a U.S. reportable account after the 31st December, 2014 and on or before the 31st December, 2015, the reporting financial institution is not required to report information about such account with respect to calendar year 2014, but shall report information about the account on an annual basis thereafter;
 - (ii) in case of a U.S. reportable account which is low value account as on the 30th June, 2014, or in case of other reportable account which is high value account as on the 31st December, 2015, shall be completed by the 30th June, 2016;
 - (iii) in case of other reportable account that is low value account as on the 31st December, 2015, must be completed by the 30th June, 2017;
- (e) any pre-existing individual account which has been identified as a reportable account under this sub-rule shall be treated as a reportable account in all subsequent years, unless the account holder ceases to be a resident of any country or territory outside India as per tax laws of such jurisdiction.
- (4) The following procedures shall apply for purposes of identifying reportable accounts among new individual accounts, namely:-
- (a) unless the reporting financial institution elects otherwise, the following new individual accounts are not required to be reviewed, or reported as U.S. reportable accounts, namely:-

- (i) a depository account unless the account balance exceeds an amount equivalent to fifty thousand U.S. dollars at the end of any calendar year;
 - (ii) a cash value insurance contract unless the cash value exceeds an amount equivalent to fifty thousand U.S. dollars at the end of any calendar year;
- (b) in case of a new individual account,-
- (i) in respect of a U.S. reportable account, which does not fall under sub-clauses (i) and (ii) of clause (a), upon account opening (or within ninety days after the end of the calendar year in which the account ceases to be covered under sub-clauses (i) and (ii) of clause (a)); and
 - (ii) in respect of other reportable account, upon account opening, the reporting financial institution shall obtain a self-certification, which may be part of the account opening documentation, that allows the reporting financial institution to determine the account holder's residence or residences for tax purposes and confirms the reasonableness of such self-certification based on the information obtained by the reporting financial institution in connection with the opening of the account, including any documentation collected in accordance with Prevention of Money-laundering (Maintenance of Records) Rules, 2005;
- (c) where the self-certification obtained under clause (b) of this sub-rule establishes that the account holder is resident for tax purposes in a country or territory outside India, the reporting financial institution shall treat the account as a reportable account and the self-certification shall also include the account holder's taxpayer identification number with respect to such country or territory outside India, subject to sub-rule (5) of rule 114G, and date of birth;
- (d) where a self-certification has been obtained under clause (b) of this sub-rule for a new individual account and if there is a change of circumstances with respect to such account which causes the reporting financial institution to know, or have reason to know, that the said self-certification is incorrect or unreliable, the reporting financial institution shall not rely on the said self-certification and shall obtain a valid self-certification that establishes the residence or residences for tax purposes of the account holder:
- Provided** that if the reporting financial institution is unable to obtain a valid self-certification, the reporting financial institution shall treat the account as a reportable account with respect to each such country or territory outside India for which an indicium is identified.
- (5) The following procedures shall apply for purposes of identifying reportable accounts among pre-existing entity accounts, namely:-
- (a) unless the reporting financial institution elects otherwise, either with respect to all pre-existing entity accounts or, separately, with respect to any clearly identified group of such accounts, a pre-existing entity account with an aggregate account balance or value which does not exceed an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014 (in case of a U.S. reportable

account), or as the case may be, 31st December, 2015 (in case of other reportable account), is not required to be reviewed, identified, or reported as a reportable account until the aggregate account balance or value exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars as of the last day of any subsequent calendar year;

- (b) a pre-existing entity account that has an aggregate account balance or value that exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014 (in case of a U.S. reportable account), or as the case may be, 31st December, 2015 (in case of other reportable account), and a pre-existing entity account that does not exceed an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014 (in case of a U.S. reportable account), or as the case may be, 31st December, 2015 (in case of other reportable account) but the aggregate account balance or value exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars as of the last day of any subsequent calendar year, shall be reviewed in accordance with the procedure provided in clause (d) of this sub-rule;
- (c) with respect to pre-existing entity accounts referred to in clause (b), only accounts which are held by,-
 - (i) one or more entities which are reportable persons; or
 - (ii) passive non-financial entity with one or more controlling persons who are reportable persons,shall be treated as reportable accounts:

Provided that the accounts held by non-participating financial institutions for which aggregate payments as provided in clause (h) of sub-rule (1) of rule 114G are reported shall be treated as reportable accounts;

- (d) for pre-existing entity accounts referred to in clause (b) with respect to which reporting is required, a reporting financial institution, to determine whether the account is held by one or more reportable persons, or by a passive non-financial entity with one or more controlling persons who are reportable persons, or by non-participating financial institutions, shall apply the following review procedures namely:-
 - (i) to determine whether the entity is a reportable person, the reporting financial institution shall,-
 - (A) review information maintained for regulatory or customer relationship purposes (including information collected in accordance with the rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003)) to determine whether the information indicates that the account holder is a reportable person.

Explanation.- For the purpose of this sub-clause, information indicating that the account holder is a resident of any country or territory outside India as per tax laws of such country or territory includes a place of

incorporation or organisation, or an address in a country or territory outside India;

- (B) treat the account as a reportable account, if the information as per item (A) indicates that the account holder is a reportable person, unless it obtains a self-certification from the account holder, or reasonably determines based on information in its possession or that is publicly available, that the account holder is not a reportable person:

Provided that if the information as per item (A) indicates that the account holder is an entity not based in the United States of America which is a financial institution, or the reporting financial institution verifies the account holder's Global Intermediary Identification Number, then the account shall not be treated as a U.S. reportable account;

- (ii) treat the account holder as a non-participating financial institution if,-
 - (A) the account holder is an Indian financial institution or other partner jurisdiction financial institution and treated by the United States of America as a non-participating financial institution;
 - (B) the account holder, being a financial institution, is not an Indian financial institution or other partner jurisdiction financial institution, unless the reporting financial institution,-
 - (I) obtains a self-certification from the account holder that it is a financial institution referred to in sub-clauses (a) to (m) of clause (5) of rule 114F; or
 - (II) in the case of participating foreign financial institution defined in Annex II of the FATCA agreement or a financial institution referred to in sub-clauses (e) to (m) of clause (5) of rule 114F, verifies the account holder's Global Intermediary Identification Number;
- (iii) the reporting financial institution shall determine whether the account holder is a passive non-financial entity with one or more controlling persons who are resident of any country or territory outside India as per tax laws of such country or territory and in making these determinations the reporting financial institution shall follow the following procedures, namely:-
 - (A) for purposes of determining whether the account holder is a passive non-financial entity, the reporting financial institution shall obtain a self-certification from the account holder to establish its status, unless it has information in its possession or which is publicly available, based on which it can reasonably determine that the account holder is an active non-financial entity or a financial institution other than an investment entity referred to in sub-clause (B) of clause (c) of *Explanation* to clause (3) of rule 114F;
 - (B) for purposes of determining the controlling persons of an account holder, a reporting financial institution may rely on information collected and maintained in accordance with the rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003);

- (C) for purposes of determining whether a controlling person of a pre-existing account of passive non-financial entity is a reportable person, a reporting financial institution may rely on,-
- (I) information collected and maintained in accordance with rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003) in the case of pre-existing entity account held by one or more non-financial entity with an aggregate balance or value which does not exceed an amount equivalent to one million U.S. dollars; or
 - (II) a self-certification from the account holder or such controlling person of the passive non-financial entity with an account balance or value which exceeds an amount equivalent to one million U.S. dollars;
- (D) if any controlling person of a passive non-financial entity is a resident of any country or territory outside India for tax purposes, the account shall be treated as a reportable account;
- (e) the following additional procedures shall be applicable to pre-existing entity accounts, namely:-
- (i) review of pre-existing entity accounts with an aggregate account balance or value that exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014 (in case of a U.S. reportable account), or as the case may be, 31st December, 2015 (in case of other reportable account) shall be completed by the 30th June, 2016;
 - (ii) review of pre-existing entity accounts with an aggregate account balance or value which does not exceed an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 30th June, 2014 (in case of a U.S. reportable account), or as the case may be, 31st December, 2015 (in case of other reportable account), but exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars as on the 31st December of a subsequent year, shall be completed within the calendar year following the year in which the aggregate account balance or value exceeds an amount equivalent to two hundred and fifty thousand U.S. dollars;
 - (iii) if there is a change of circumstances with respect to a pre-existing entity account that causes the reporting financial institution to know, or have reason to know, that the self-certification or other documentation associated with the account is incorrect or unreliable, the reporting financial institution shall re-determine the status of the account in accordance with the procedures set forth in clause (d) of this sub-rule.
- (6) The following procedures shall apply for purposes of identifying reportable accounts and accounts held by non-participating financial institutions among new entity accounts, namely:-
- (a) a reporting financial institution, to determine whether the new entity account is a reportable account, shall apply the following review procedures namely:-
 - (i) determine whether the entity is a reportable person and for that the reporting financial institution shall,-

(A) obtain a self-certification, which may be part of the account opening documentation, that allows the reporting financial institution to determine the account holder's residence or residences for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the reporting financial institution in connection with the opening of the account, including any documentation collected in accordance with the rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003):

Provided that if the entity certifies that it has no residence for tax purposes, the reporting financial institution may rely on the address of the principal office of the entity to determine the residence of the account holder;

(B) treat the account as a reportable account, if the information as per item (A) indicates that the account holder is a reportable person, unless it reasonably determines based on information in its possession or which is publicly available, that the account holder is not a reportable person:

Provided that if the information as per item (A) indicates that the account holder is an Indian financial institution, or partner jurisdiction financial institution, which is not a non-participating financial institution or a participating foreign financial institution or a non-reporting financial institution then the account shall not be treated as a U.S. reportable account;

(ii) determine whether the account holder is a passive non-financial entity with one or more controlling persons who are reportable persons and in making these determinations the reporting financial institution shall follow the following procedures, namely:-

(A) for purposes of determining whether the account holder is a passive non-financial entity, the reporting financial institution shall rely on a self-certification from the account holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the account holder is not a passive non-financial entity;

(B) for purposes of determining the controlling persons of an account holder, a reporting financial institution may rely on information collected and maintained in accordance with the rules made under the Prevention of Money-laundering Act, 2002 (15 of 2003);

(C) for purposes of determining whether a controlling person of a passive non-financial entity is a reportable person, a reporting financial institution may rely on a self-certification from the account holder or such controlling person;

(b) the reporting financial institution shall determine whether the account holder is a non-participating financial institution and in such case any payment to the account holder shall be reported as per clause (h) of sub-rule (1) of rule 114G.

(7) The following additional procedures shall apply in implementing the due diligence requirement specified in sub-rules (1) to (6), namely:-

- (a) a reporting financial institution may not rely on a self-certification or documentary evidence if the reporting financial institution knows or has reason to know that the self-certification or documentary evidence is incorrect or unreliable;
- (b) a reporting financial institution may presume that an individual beneficiary (other than the owner) of a cash value insurance contract or an annuity contract receiving a death benefit is not a reportable person and may treat such financial account as other than a reportable account unless the reporting financial institution has actual knowledge, or reason to know, that the beneficiary is a reportable person:

Provided that if a reporting financial institution has actual knowledge, or reason to know, that the beneficiary is a reportable person, it shall follow the procedures specified in clause (b) of sub-rule (3);

Explanation.- For the purposes of this clause, a reporting financial institution shall be deemed to have reason to know that a beneficiary of a cash value insurance contract or an annuity contract is a reportable person if the information collected by the reporting financial institution and associated with the beneficiary contains indicia specified in clause (b) of sub-rule (3).

- (c) the following procedures relating to aggregation of account balance and currency shall apply, namely:-
 - (i) for purposes of determining the aggregate balance or value of financial accounts held by an individual, a reporting financial institution shall be required to aggregate all financial accounts maintained by it, or by a related entity, but only to the extent that the computerised systems of that reporting financial institution links the financial accounts by reference to a data element such as client number or taxpayer identification number, and allows account balances or values to be aggregated;
 - (ii) for purposes of determining the aggregate balance or value of financial accounts held by an entity, a reporting financial institution shall be required to take into account all financial accounts which are maintained by it, or by a related entity, but only to the extent that the computerised systems of that reporting financial institution links the financial accounts by reference to a data element such as client number or taxpayer identification number, and allows account balances or values to be aggregated;
 - (iii) for purposes of determining the aggregate balance or value of financial accounts held by a person to determine whether a financial account is a high value account, a reporting financial institution shall also be required, in the case of any financial accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts;
 - (iv) for the purposes of rules 114F, 114G and this rule, any account maintained in rupees or in any permissible currency (other than the United States Dollar) as

designated by the Reserve Bank of India shall be converted to United States Dollar at the end of the reporting period as per the reference rates of the Reserve Bank of India and such converted amount in the United States Dollar shall be used for determining the balance or value of a financial account provided in such rules.

Explanation 1.- For the purposes of this clause each holder of a jointly held financial account shall be attributed the entire balance or value of the jointly held financial account for purposes of applying the aggregation requirements.

(8) In case of a U.S. reportable account opened on or after the 1st July, 2014 but before the date of entry into force of FATCA agreement, notwithstanding the due diligence procedures specified in sub-rule (4) or sub-rule (6) of this rule for new accounts, the reporting financial institution may, in lieu of the procedures specified in the said sub-rules, apply the following alternative procedures, namely:-

(a) within one year after the date of entry into force of the FATCA agreement, reporting financial institutions shall,-

(i) with respect to a new individual account opened on or after the 1st July, 2014 but before the date of entry into force of FATCA agreement, request the self-certification specified in sub-rule (4) and confirm the reasonableness of such self-certification consistent with the procedures specified in sub-rule (4); and

(ii) with respect to a new entity account opened on or after the 1st July, 2014 but before the date of entry into force of FATCA agreement, perform the due diligence procedures specified in sub-rule (6) and request for information as necessary to document the account, including any self-certification, required under sub-rule (6);

(b) the reporting financial institution shall report on any new account which is identified pursuant to clause (a) of this sub-rule as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable, by the date which is the later of,-

(i) the 31st of May next following the date on which the account is identified as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable; and

(ii) forty-five days after the account is identified as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable:

Provided that the information required to be reported with respect to such a new account shall be information which would have been reportable had the new account been identified as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable, as of the date the account was opened;

(c) by the date that is one year after the date of entry into force of the FATCA agreement, reporting financial institutions shall close any new account described in clause (a) for which it was unable to collect the required self-certification or other documentation in accordance with the procedure specified in clause (b):

Provided that in addition, by such date, the reporting financial institutions shall,-

- (i) with respect to such closed accounts which prior to such closure were new individual accounts (without regard to whether such accounts were high value accounts), perform the due diligence procedure specified in clause (c) of sub-rule (3), or
- (ii) with respect to such closed accounts which prior to such closure were new entity accounts, perform the due diligence procedures specified in sub-rule (5); and
- (d) the reporting financial institution shall report the information specified in rule 114G in respect of any closed account which is identified under clause (c) as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable, by the date that is the later of,-
 - (i) the 31st of May next following the date on which the account is identified as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable; and
 - (ii) forty-five days after the account is identified as a U.S. reportable account or as an account held by a non-participating financial institution, as applicable:

Provided that in respect of all new entity accounts or a clearly identified group of such accounts which are U.S. reportable accounts opened on or after the 1st July, 2014, and before the 1st January, 2015 the reporting financial institution may, in lieu of the procedure specified in clauses (a) to (d), treat such accounts as pre-existing entity accounts and apply the due diligence procedure related to pre-existing entity accounts specified in sub-rule (5) without regard to the account balance or value threshold specified in clause (a) of sub-rule (5).’

3. In the said rules, in Appendix-II, after Form 61A the following form shall be inserted, namely:-

“FORM NO. 61B

[See sub-rule (8) of rule 114G]

**Statement of Reportable Account under sub-section (1) section 285BA of the Income-tax Act, 1961
(see instructions for guidance)**

PART A: STATEMENT DETAILS

(This information should be provided for each Statement of Reports submitted together)

A.1 REPORTING ENTITY DETAILS	
A.1.1	Reporting Entity Name
A.1.2	ITDREIN <input type="text"/>
A.1.3	Global Intermediary Identification Number (GIIN)
A.1.4	Registration Number
A.1.5	Reporting Entity Category <input type="text"/> <input type="text"/> Insert 2 character code
A.2 STATEMENT DETAILS	
A.2.1	Statement Type <input type="text"/> <input type="text"/> Insert 2 character code
A.2.2	Statement Number
A.2.3	Original Statement Id
A.2.4	Reason for Correction <input type="text"/> Insert 1 character code
A.2.5	Statement Date
A.2.6	Reporting Period
A.2.7	Report Type <input type="text"/> Insert 1 character code
A.2.8	Number of Reports
A.3 PRINCIPAL OFFICER DETAILS	
A.3.1	Principal Officer Name
A.3.2	Principal Officer Designation
A.3.3	Principal Officer Address
A.3.4	City / Town
A.3.5	Postal Code
A.3.6	State Code <input type="text"/> <input type="text"/> Insert 2 character code
A.3.7	Country Code <input type="text"/> <input type="text"/> Insert 2 character code
A.3.8	Telephone
A.3.9	Mobile
A.3.10	Fax
A.3.11	Email

PART B: REPORT DETAILS

(This information should be provided for each Account being reported)

B.1 ACCOUNT DETAILS (To be provided for each account being reported)		
B.1.1	Report Serial Number	
B.1.2	Original Report Serial Number	
B.1.3	Account Type	<input type="text"/> <input type="text"/> Insert 2 character code
B.1.4	Account Number	
B.1.5	Account Number Type	<input type="text"/> Insert 1 character code
B.1.6	Account Holder Name	
B.1.7	Account Status	<input type="text"/> Insert 1 character code
B.1.8	Account Treatment	<input type="text"/> Insert 1 character code
B.1.9	Self- certification	<input type="text"/> Insert 1 character code
B.1.10	Documentation Status	<input type="text"/> Insert 1 character code
B.1.11	Date of closure of account, if closed during the year	
B.2 BRANCH DETAILS		
B.2.1	Branch Number Type	<input type="text"/> Insert 1 character code
B.2.2	Branch Reference Number	
B.2.3	Branch Name	
B.2.4	Branch Address	
B.2.5	City Town	
B.2.6	Postal Code	
B.2.7	State Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.2.8	Country Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.2.9	Telephone	
B.2.10	Mobile	
B.2.11	Fax	
B.2.12	Email	
B.3 ACCOUNT SUMMARY		
B.3.1	Account balance or value at the end of reporting period	
B.3.2	Aggregate gross interest paid or credited	
B.3.3	Aggregate gross dividend paid or credited	
B.3.4	Gross proceeds from sale of property	
B.3.5	Aggregate gross amount of all other income paid or credited	

B.3.6	Aggregate gross amount credited	
B.3.7	Aggregate gross amount debited	
B.4 INDIVIDUAL DETAILS (To be provided for individual account holder)		
B.4.1	Name	
B.4.2	Customer ID	
B.4.3	Father's Name	
B.4.4	Spouse's Name	
B.4.5	Gender	<input type="text"/> Insert 1 character code (Refer Instructions)
B.4.6	PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
B.4.7	Aadhaar Number	
B.4.8	Identification Type	<input type="text"/> Insert 1 character code
B.4.9	Identification Number	
B.4.10	Occupation Type	<input type="text"/> Insert 1 character code
B.4.11	Occupation	
B.4.12	Birth Date	
B.4.13	Nationality	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.14	Country of Residence as per tax laws	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.15	Place of Birth	
B.4.16	Country of Birth	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.17	Tax Identification Number (TIN) allotted by tax resident country	
B.4.18	TIN Issuing Country	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.19	Address Type	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.20	Address	
B.4.21	City / Town	
B.4.22	Postal Code	
B.4.23	State Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.24	Country Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.4.25	Mobile/Telephone Number	
B.4.26	Other Contact Number	
B.4.27	Remarks	

B.5 LEGAL ENTITY DETAILS (To be provided for entity account holder)		
B.5.1	Name of the Entity	
B.5.2	Customer ID	
B.5.3	Account Holder Type for US Reportable Person	<input type="text"/> Insert 2 character code
B.5.4	Account Holder Type for Other Reportable Person	<input type="text"/> Insert 2 character code
B.5.5	Entity Constitution Type	<input type="text"/> Insert 1 character code
B.5.6	Date of Incorporation	
B.5.7	Nature of Business	
B.5.8	PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
B.5.9	Identification Type	<input type="text"/> Insert 1 character code
B.5.10	Identification No.	
B.5.11	Identification issuing Country	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.12	Place of Incorporation	
B.5.13	Country of Incorporation	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.14	Country of Residence as per tax laws	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.15	Tax Identification Number (TIN) allotted by tax resident country	
B.5.16	TIN Issuing Country	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.17	Address Type	<input type="text"/> Insert 1 character code
B.5.18	Address	
B.5.19	City / Town	
B.5.20	Postal Code	
B.5.21	State Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.22	Country Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.5.23	Mobile/Telephone Number	
B.5.24	Other Contact Number	
B.5.25	Remarks	

B.6 CONTROLLING PERSON DETAILS (To be provided for each controlling person of the entity)		
B.6.1	Controlling Person Type	<input type="text"/> <input type="text"/> <input type="text"/> Insert 3 character code
B.6.2	Name	
B.6.3	Customer ID	
B.6.4	Father's Name	
B.6.5	Spouse's Name	
B.6.6	Gender	<input type="text"/> Insert 1 character code
B.6.7	PAN	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
B.6.8	Aadhaar Number	
B.6.9	Identification Type	<input type="text"/> Insert 1 character code
B.6.10	Identification Number	
B.6.11	Occupation Type	<input type="text"/> Insert 1 character code
B.6.12	Occupation	
B.6.13	Birth Date	
B.6.14	Nationality	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.15	Country of Residence as per tax laws	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.16	Place of Birth	
B.6.17	Country of Birth	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.18	Tax Identification Number (TIN) allotted by tax resident country	
B.6.19	TIN Issuing Country	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.20	Address Type	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.21	Address	
B.6.22	City / Town	
B.6.23	Postal Code	
B.6.24	State Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.25	Country Code	<input type="text"/> <input type="text"/> Insert 2 character code
B.6.26	Mobile/Telephone Number	
B.6.27	Other Contact Number	
B.6.28	Remarks".	

[Notification no. 62/2015] [F. No. 142/21/2015 TPL]



[Gaurav Kanaujia]
Director to Government of India

Note:- The principal rules were published vide notification S.O. number 969 (E), dated 26th March, 1962 and last amended by Income-tax (10th Amendment) Rules, 2014 vide notification S.O. number 2070(E), dated the 29th July, 2015.

Instructions to Form 61B

General Instructions

The requirement field for each data element indicates whether the element is validation or optional in the schema.

Validation	“Validation” elements MUST be present for ALL data records in a file and an automated validation check will be undertaken. The Sender should do a technical check of the data file content using XML tools to make sure all “Validation” elements are present and if they are not, the sender should correct the file. The Income-tax Department will also do so and if incorrect, will reject the file.
(Optional) Mandatory	An optional element that is required for reporting depending on availability of information or legal factors. These elements may be present in most (but not all) circumstances. The Income-tax Department will publish separate validation rules to check these.
Optional	An optional element specified in form
Optional*	An optional element specified only in instructions. May be reported if available

Specific Instructions

S. No.	Element	Description	Requirement
A.1.1	Reporting Entity Name	Complete name of the reporting entity.	Validation
A.1.2	ITDREIN (Income-tax Department Reporting Entity Identification Number)	ITDREIN is the Unique ID issued by ITD which will be communicated by ITD after the registration of the reporting entity with ITD. The ITDREIN is a 16-character identification number in the format XXXXXXXXXXX.YYYYYY where XXXXXXXXXXX is the PAN or TAN of the reporting entity and YYYYYY is a sequentially generated number. The reporting Entity may use a dummy number (PAN+99999 or TAN+99999) till the ITDREIN is communicated.	Validation
A.1.3	GIIN	GIIN means the Global Intermediary Identification Number which is a 19-character identification number in the format XXXXXX.XXXXX.XX.XXX assigned to the reporting entity by USA.	Validation
A.1.4	Registration Number	This number is the registration number or any number used in correspondence with the regulator of the financial institution.	Optional
A.1.5	Reporting Entity Category	<p>Category of reporting entity are:</p> <ul style="list-style-type: none"> • DI - Depository Institution • CI- Custodial Institution • IE- Investment Entity • IC - Specified Insurance Company • OT- Other <p>In case if a Reporting Entity is engaged in more than one category of activities, it needs to submit different statements for different category of activities. For example if a reporting entity is maintaining certain accounts as depository institution and certain other accounts as custodial institution, it needs to submit two different statements.</p>	Validation

S. No.	Element	Description	Requirement
A.2.1	Statement Type	Type of Statement submitted. Permissible values are: <ul style="list-style-type: none"> NB – New Statement containing new information CB – Correction Statement containing corrections for previously submitted information TD - Test Data ND - No Data to report One Statement can contain only one type of Statement. Even if missing information has to be supplied, the complete report has to be submitted instead of an incremental report.	Validation
A.2.2	Statement Number	Statement Number is a free text field capturing the sender's unique identifying number (created by the sender) that identifies the particular Statement being sent. The identifier allows both the sender and receiver to identify the specific Statement later if questions or corrections arise. After successful submission of the Statement to ITD, a new unique Statement ID will be allotted for future reference. The reporting entities should maintain the linkage between the Statement Number and Statement ID. Example of the statement number is 2015/01.	Validation
A.2.3	Original Statement Id	In case if the original statement is being replaced by this statement, statement ID of the original Statement which is being replaced deleted or referred by reports in the current Statement. In case the Statement is new and unrelated to any previous Statement, mention '0' here.	Validation
A.2.4	Reason of Correction	Reason for revision to be stated when the original Statement is corrected. Permissible values are: <ul style="list-style-type: none"> A - Acknowledgement of original Statement had errors which are being resolved B - Errors in original Statement are being corrected <i>suo-motu</i> C - The correction report is on account of additional information being submitted N - Not applicable as this is a new statement/test data/ there is no data to report Z - Other reason 	Validation
A.2.5	Statement Date	This identifies the date and time when the Statement was compiled. This element will be automatically populated by the host system. The format for use is YYYY-MM-DD'T'hh:mm:ss. Fractions of seconds are not used. Example: 2015-03-15T09:45:30.	Validation
A.2.6	Reporting Period	This identifies the last day of the reporting period in YYYY-MM-DD format. For example, if reporting information for the accounts or payments made in calendar year 2014, the field would read, "2014-12-31"	Validation
A.2.7	Report Type	Type of report in the Statement. One Statement can contain only one type of report. Permissible values are: <ul style="list-style-type: none"> 01 - Report of US reportable accounts under Rule 114G 02 - Report of other reportable accounts under Rule 114G 	Validation
A.2.8	Number of Reports	Number of Reports in Part B.	Validation
A.3.1	Principal Officer Name	Name of the Principal Officer. Refer to the registration requirement under Income-tax Act and Rules	Validation

S. No.	Element	Description	Requirement
A.3.2	Principal Officer Designation	Designation of the Principal Officer.	Validation
A.3.3	Principal Officer Address	Complete address consisting of house number, building name, street, locality, city, state etc.	Validation
A.3.4	City Town	Name of City, Town or Village	Validation
A.3.5	State Code	The two digit state code has to be mentioned as per Indian Motor Vehicle Act 1988. If state code is not available, use XX.	Validation
A.3.6	Postal Code	In case of India, the 6 digit Pin code as per India Posts has to be mentioned. In case of countries outside India, respective code may be used. If Pin code is not available, use XXXXXX.	Validation
A.3.7	Country Code	The Country Code as per ISO 3166 has to be mentioned. Use IN for India. If Country Code is not available, use XX	Validation
A.3.8	Telephone	Telephone number in format STD Code-Telephone number. (Example 0120-2894016)	Validation
A.3.9	Mobile	Contact Mobile number. Please do not add "0" before the number	Validation
A.3.10	Fax	Fax number in format STD Code-Telephone number. (Example 0120-2894016)	Validation
A.3.11	Email	E-mail of the Principal Officer	Validation
B.1.1	Report Serial Number	The number uniquely represents a report within a Statement. The Report Serial Number should be unique within the Statement. This number along with Statement ID will uniquely identify any report received by ITD.	Validation
B.1.2	Original Report Serial Number	The Report Serial Number of the original report that has to be replaced or deleted. This number along with Original Statement ID will uniquely identify the report which is being corrected. In case there is no correction of any report, mention '0' here.	Validation
B.1.3	Account Type	Type of account. Permissible values are: <ul style="list-style-type: none"> • BS - Savings Account • BC - Current Account • BR - Cash Credit/Overdraft Account • BD - Credit Card Account • BP - Prepaid Card Account • BL - Loan Account • BT - Term Deposit Account • IL - Term Insurance Policy • IE - Endowment Policy • IA - Annuity Policy (Excluding ULIP) • IU - ULIP Policy • IB – Money Back Policy • IW – Whole Life Policy • ST - Trading Account • MF – Mutual Fund Folio • DB - Beneficiary Client Account • DH - Beneficiary House Account • DC - Clearing Member Pool Account • ZZ - Others • XX - Not Categorised 	Validation

S. No.	Element	Description	Requirement
B.1.4	Account Number	Provide the account number used by the financial institution to identify the account. If the financial institution does not have an account number then provide the functional equivalent unique identifier used by the financial institution to identify the account.	Validation
B.1.5	Account Number Type	Account number type. Permissible values are: <ul style="list-style-type: none"> • 01 - International Bank Account Number • 02 - Other Bank Account Number • 03 - International Securities Information Number • 04 - Other Securities Information Number • 05 - Any other type of account information Indian banks may use option 02 above.	Validation
B.1.6	Account Holder Name	Name of first/sole account holder.	Validation
B.1.7	Account Status	Status of the account. Permissible values are: <ul style="list-style-type: none"> • A – Active: Account is in regular use/policy in force • I – Inactive: Account is not in regular use/ policy lapsed • D – Dormant: As defined by regulator (e.g. There is no transaction in the account for two years, paid up policy lapsed after paying premiums for 3 or more years) • S – Suspended: Account/policy is temporarily suspended • F – Frozen: Account/policy is frozen (including case of debit freeze) • C- Closed: Account is closed/policy foreclosed, surrendered, death or maturity claim paid • Z – Others: Not listed above • X - Not categorized: The information is not available. 	Validation
B.1.8	Account Treatment	Permissible values are: <ul style="list-style-type: none"> • N: New account as per Rule 114H • P: Pre-existing as per Rule 114H • X: Not applicable 	Mandatory
B.1.9	Self-certification	Permissible values are: <ul style="list-style-type: none"> • Y: Yes • N: No • X: Not applicable 	Mandatory
B.1.10	Documentation Status	Undocumented as per Rule 114H(3) for pre-existing individual account. If the due diligence fails to establish an indicium and the attempt to obtain the self-certification or documentary evidence is not successful, the reporting financial institution must report the account as an undocumented account. Permissible values are: <ul style="list-style-type: none"> • D - Documented • U - Undocumented 	Validation
B.1.11	Date of closure of account, if closed during the reporting period	Date of closure of account. This information is mandatory if the account was closed during the reporting period	(Optional) Mandatory

S. No.	Element	Description	Requirement
B.2.1	Branch Number Type	The type of branch reference number used. Entities with no Branch reference number can use self-generated numbers to uniquely identify the branch. Permissible values are: <ul style="list-style-type: none"> • R – Regulator Issued • B – BIC • I – IFSC • S – Self generated • Z – Other sources • X – Self Generated IFSC is compulsory in case of banking institutions.	Validation
B.2.2	Branch Reference Number	The unique number to uniquely identify the branch. Reporting Financial Institution can use self-generated numbers to uniquely identify the branch.	Validation
B.2.3	Branch Name	Name of Branch linked to the account. This could be the home or linked branch.	Validation
B.2.4	Branch Address	Complete address consisting of house number, building name, street, locality, city, state etc.	Validation
B.2.5	City / Town	Name of City, Town or Village	Validation
B.2.6	Postal Code	In case of India, the 6 digit Pin code as per India Posts has to be mentioned. In case of countries outside India, respective code may be used. If Pin code is not available, use XXXXXX.	Validation
B.2.7	State Code	The two digit state code has to be mentioned as per Indian Motor Vehicle Act 1988. If state code is not available, use XX.	Validation
B.2.8	Country Code	The Country Code as per ISO 3166 has to be mentioned. Use IN for India. If Country Code is not available, use XX	Validation
B.2.9	Telephone	Telephone number in format STD Code-Telephone number. (Example 0120-2894016)	Optional
B.2.10	Mobile	Contact Mobile number. Please do not add "0" before the number	Optional
B.2.11	Fax	Fax number in format STD Code-Telephone number. (Example 0120-2894016)	Optional
B.2.12	Email	E-mail of the Branch head	Optional
B.3.1	Account balance or value at the end of reporting period	The account balance or value of the reported financial account as on the last day of the reporting period. In case if the account was closed during the reporting period then the balance immediately before closure. (Mandatory for all account types) The cash value insurance or annuity contract is the balance or value of the account. For Debt or equity accounts, the account balance is the value of the debt or equity interest that the account holder has in the financial institution.	Validation
B.3.2	Aggregate gross interest paid or credited	The aggregate gross amount of interest paid or credited to the account during the period. This information is mandatory for depository account and custodial account.	(Optional) Mandatory
B.3.3	Aggregate gross dividend paid or credited	The aggregate gross amount of dividend paid or credited to the account during the period. This information can be collected from other regulated entity. This information is mandatory for custodial account.	(Optional) Mandatory

S. No.	Element	Description	Requirement
B.3.4	Gross proceeds from sale of property	The gross proceeds from sale or redemption of property paid or credited to the account during the period with respect to which the reporting entity acted as a custodian, broker, nominee, or otherwise as an agent for the account holder. This information is mandatory for custodial account.	(Optional) Mandatory
B.3.5	Aggregate gross amount of all other income paid or credited to the account	The aggregate gross amount of all other income paid or credited to the account during the period. This information is mandatory for custodial account.	(Optional) Mandatory
B.3.6	Aggregate gross amount credited to the account	Aggregate gross amount credited to the account during the period.	Optional
B.3.7	Aggregate gross amount debited to the account	Aggregate gross amount debited to the account during the period.	Optional
B.4.1	Name	Name of the Individual in whose name the account stands. This will be mandatory for accounts of individuals.	Validation
	Preceding Title	Title of the person such as "His Excellency", "Estate of the late".	Optional*
	Title	Greeting title of the reported person such as Mr., Dr., Mrs., Herr etc. Can have multiple titles	Optional*
	First Name	First name of the person. In case if the first name is not available, no first name or NFN may be used here.	Optional*
	Middle name	Middle name (essential part of the name for many nationalities). Eg. Shakti in "Nivetha Shakti Shantha". Can have multiple middle names.	Optional*
	Name prefix	De, van, van de, von, etc. Example: Derick de Clarke	Optional*
	Last Name	Represents the position of the name in a name string. Can be Given name, Forename, Christian name, Surname, Family name etc. In case of a company, this field can be used for the company name.	Optional*
	Generation Identifier	The identifier of generation such as Jnr, Thr, III	Optional*
	Suffix	Could be compressed initials such as: Phd, VC, QC	Optional*
	General Suffix	Deceased, retired etc.	Optional*
	Name Type	It is possible for an individual or entity to have several names. This is a qualifier to indicate the type of a particular name. Such types include nick names ("nick"), names under which a party does business ("dba" a short name for the entity, or a name that is used for public acquaintance instead of the official business name) etc. The possible values are: <ul style="list-style-type: none"> • N1= SMFAliasOrOther • N2= indiv • N3= alias • N4= nick • N5= aka • N6= dba • N7= legal • N8= atbirth 	Optional*

S. No.	Element	Description	Requirement
B.4.2	Customer ID	Customer ID/Number allotted by the reporting entity. This information is mandatory if Customer ID/Number is allotted.	(Optional) Mandatory
B.4.3	Father's Name	Name of the father. This information is mandatory if valid PAN is not reported.	Optional
B.4.4	Spouse's Name	Name of the spouse, if available	Optional
B.4.5	Gender	Permissible values are: <ul style="list-style-type: none"> • M - Male • F - Female • O - Others 	Validation
B.4.6	PAN	Permanent Account Number issued by Income-tax Department. This information is mandatory if PAN is required to be collected as per regulatory guidelines.	(Optional) Mandatory
B.4.7	Aadhaar Number	Aadhar number issued by UIDAI	Optional
B.4.8	Identification Type	Document submitted as proof of identity of the individual. Permissible values are: <ul style="list-style-type: none"> • A - Passport • B - Election Id Card • C - PAN Card • D - ID Card • E - Driving License • G - UIDAI Letter • H - NREGA job card • Z – Others • X – Not Categorised 	Validation
B.4.9	Identification Number	Number mentioned in the identification document. This information is mandatory if PAN or Aadhar number is not reported	(Optional) Mandatory
B.4.10	Occupation Type	Permissible values are: <ul style="list-style-type: none"> • S - Service • B - Business • O - Others • X - Not Categorised 	Validation
B.4.11	Occupation	Please specify occupation of the individual.	Optional
B.4.12	Birth Date	This data element identifies the date of birth of the Individual Account Holder. The data format is DD/MM/YYYY. This information is mandatory if valid PAN is not reported.	(Optional) Mandatory
B.4.13	Nationality	2 character Country Code (ISO 3166)	Validation
B.4.14	Country of Residence as per tax laws	This data element describes the tax residence country code(s) for the individual being reported upon and must be present in all data records. The Country Code as per ISO 3166 has to be mentioned. If the individual is certified or treated as tax resident in more than one jurisdiction then this element may be repeated.	Validation
B.4.15	Place of Birth	Place of Birth.	(Optional) Mandatory
	City Sub entity of birth	City Sub entity of birth	Optional*

S. No.	Element	Description	Requirement
B.4.16	Country of Birth	This data element describes the Country of birth for the individual. The Country Code as per ISO 3166 has to be mentioned. This information is mandatory for foreign national or non-resident.	(Optional) Mandatory
	Former Country Name	Former name of the country	Optional*
B.4.17	Foreign Tax Identification Number (TIN) allotted by tax resident country	This data element identifies the Tax Identification Number (TIN) used by the residence country of the reported account holder to identify the Individual Account Holder. In case if there is no TIN, provide functional equivalent. This information is mandatory for foreign national or non-resident.	(Optional) Mandatory
B.4.18	TIN Issuing Country	This attribute identifies the jurisdiction that issued the TIN. The Country Code as per ISO 3166 has to be mentioned. If Country Code is not available, use XX. This information is mandatory for foreign national or non-resident in certain situations.	(Optional) Mandatory
B.4.19	Address Type	Indicates the type of the address. Permissible values are: <ul style="list-style-type: none"> • 1- Residential Or Business • 2 - Residential • 3 - Business • 4 – Registered Office • 5 – Unspecified 	Validation
B.4.20	Address	Complete address consisting of house number, building name, street, locality, city, state etc.	Validation
	Street		Optional*
	Building Identifier		Optional*
	Suite Identifier		Optional*
	Floor Identifier		Optional*
	District Name		Optional*
	POB		Optional*
B.4.21	City / Town	Name of City, Town or Village	Validation
B.4.22	Postal Code	In case of India, the 6 digit Pin code as per India Posts has to be mentioned. In case of countries outside India, respective code may be used. If Pin code is not available, use XXXXXX.	Validation
B.4.23	State Code	The two digit state code has to be mentioned as per Indian Motor Vehicle Act 1988. In case of countries outside India, or if state code is not available, use XX.	Validation
B.4.24	Country Code	The Country Code as per ISO 3166 has to be mentioned. Use IN for India. If Country Code is not available, use XX	Validation
B.4.25	Mobile/Telephone Number	Primary Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.4.26	Other Contact Number	Other Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.4.27	Remarks	Any additional information related to individual	Optional
B.5.1	Name of the Entity	Name of the Legal Entity	Validation
	Name Type	Name type of the legal entity	Optional*

S. No.	Element	Description	Requirement
B.5.2	Customer ID	Customer ID/Number allotted by the reporting entity. This information is mandatory if Customer ID/Number is allotted.	(Optional) Mandatory
B.5.3	Account Holder Type for US Reportable Person	The permissible values are: <ul style="list-style-type: none"> • F1 - Owner-Documented FI with specified US owner(s) • F2 - Passive Non-Financial Entity with substantial US owner(s) • F3 - Non-Participating FFI • F4 - Specified US Person • F5 - Direct Reporting NFFE • XX –Not Applicable 	Validation
B.5.4	Account Holder Type for Other Reportable Person	The permissible values are: <ul style="list-style-type: none"> • C1- Passive Non-Financial Entity with – one or more controlling person that is a Reportable Person • C2 - Other Reportable Person • C3 - Passive Non-Financial Entity that is a CRS Reportable • XX – Not Applicable 	Validation
B.5.5	Entity Constitution Type	Permissible values are: <ul style="list-style-type: none"> • A - Sole Proprietorship • B - Partnership Firm • C - HUF • D - Private Limited Company • E- Public Limited Company • F- Society • G- AOP/BOI • H - Trust • I – Liquidator • J – Limited Liability Partnership • K- Artificial Juridical Person • Z - Others • X – Not Categorised. 	Validation
B.5.6	Date of Incorporation	To be reported in DD/MM/YYYY format. This information is mandatory if valid PAN is not reported.	(Optional) Mandatory
	Nature of Business	Nature of Business. This information is mandatory if it is captured.	(Optional) Mandatory
B.5.7	Business Code	Business Code as per Income Tax Return form	Optional*
B.5.8	PAN	Permanent Account Number issued by Income-tax Department. This information is mandatory if PAN is required to be collected as per regulatory guidelines.	(Optional) Mandatory
B.5.9	Identification Type	This Attribute defines the type of identification number being sent <ul style="list-style-type: none"> • T- TIN • C- Company Identification Number • G- US GIIN • E- Global Entity Identification Number (EIN) • O - Other This data element can be repeated if a second Identification is present	Validation
B.5.10	Identification No.	This data element provides the identification number used.	(Optional) Mandatory

S. No.	Element	Description	Requirement
B.5.11	Identification issuing Country	2 character Country Code (ISO 3166).	(Optional) Mandatory
B.5.12	Place of Incorporation	Place of Incorporation.	(Optional) Mandatory
B.5.13	Country of Incorporation	This data element describes the Country of Incorporation for the entity. The Country Code as per ISO 3166 has to be mentioned	(Optional) Mandatory
B.5.14	Country of Residence as per tax laws	This data element describes the tax residence country for the entity being reported upon and must be present in all data records. The Country Code as per ISO 3166 has to be mentioned. If the entity is certified or treated as tax resident in more than one jurisdiction then this element may be repeated.	(Optional) Mandatory
B.5.15	Tax Identification Number (TIN) [#] allotted by tax resident country	This data element identifies the Tax Identification Number (TIN) used by the residence country of the reported account holder to identify the Individual Account Holder. In case if there is no TIN, provide functional equivalent.	(Optional) Mandatory
B.5.16	TIN Issuing Country [#]	This attribute identifies the jurisdiction that issued the TIN. (Mandatory for Foreign national or Non Resident). The Country Code as per ISO 3166 has to be mentioned.	(Optional) Mandatory
B.5.17	Address Type	Indicates the type of the address. Permissible values are: <ul style="list-style-type: none"> • 1- Residential Or Business • 2 - Residential • 3 - Business • 4 – Registered Office • 5 – Unspecified 	
B.5.18	Address	Complete address consisting of house number, building name, street, locality, city, state etc.	Validation
	Street		Optional*
	Building Identifier		Optional*
	Suite Identifier		Optional*
	Floor Identifier		Optional*
	District Name		Optional*
	POB		Optional*
B.5.19	City / Town	Name of City, Town or Village	Validation
B5.20	Postal Code	In case of India, the 6 digit Pin code as per India Posts has to be mentioned. In case of countries outside India, respective code may be used. If Pin code is not available, use XXXXXX.	Validation
B.5.21	State Code	The two digit state code has to be mentioned as per Indian Motor Vehicle Act 1988. If state code is not available, use XX.	Validation
B.5.22	Country Code	The Country Code as per ISO 3166 has to be mentioned. Use IN for India. If Country Code is not available, use XX	Validation
B.5.23	Mobile/Telephone Number	Primary Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.5.24	Other Contact Number	Other Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.5.25	Remarks	Any additional information related to Entity.	Optional

S. No.	Element	Description	Requirement
B.6.1	Controlling Person Type	Type of the controlling person: Permissible values are: <ul style="list-style-type: none"> • C01-CP of legal person-ownership • C02-CP of legal person-other means • C03-CP of legal person-senior managing official • C04-CP of legal arrangement-trust-settlor • C05-CP of legal arrangement--trust-trustee • C06-CP of legal arrangement--trust-protector • C07-CP of legal arrangement--trust-beneficiary • C08-CP of legal arrangement--trust-other • C09--CP of legal arrangement—Other-settlor equivalent • C10--CP of legal arrangement—Other-trustee equivalent • C11--CP of legal arrangement—Other-protector equivalent • C12--CP of legal arrangement—Other-beneficiary equivalent • C13--CP of legal arrangement—Other-other equivalent • C14--Unknown 	Mandatory
B.6.2	Name	Name of the Controlling Person i.e. natural persons who exercise control over an entity and includes a beneficial owner as determined under to sub-rule (3) of rule 9 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Reporting of Controlling person is mandatory for accounts of Passive Non-Financial Entity (F2, C1)	Validation
	Preceding Title	Title of the person such as “His Excellency”, “Estate of the late”.	Optional*
	Title	Greeting title of the reported person such as Mr., Dr., Mrs., Herr etc. Can have multiple titles	Optional*
	First Name	First name of the person. In case if the first name is not available, no first name or NFN may be used here.	Optional*
	Middle name	Middle name (essential part of the name for many nationalities). Eg. Shakti in “Nivetha Shakti Shantha”. Can have multiple middle names.	Optional*
	Name prefix	De, van, van de, von, etc. Example: Derick de Clarke	Optional*
	Last Name	Represents the position of the name in a name string. Can be Given name, Forename, Christian name, Surname, Family name etc. In case of a company, this field can be used for the company name.	Optional*
	Generation Identifier	The identifier of generation such as Jnr, Thr, III	Optional*
	Suffix	Could be compressed initials such as: Phd, VC, QC	Optional*
	General Suffix	Deceased, retired etc.	Optional*

S. No.	Element	Description	Requirement
	Name Type	<p>It is possible for an individual or entity to have several names.</p> <p>This is a qualifier to indicate the type of a particular name. Such types include nick names ("nick"), names under which a party does business ("dba" a short name for the entity, or a name that is used for public acquaintance instead of the official business name) etc. The possible values are:</p> <ul style="list-style-type: none"> • N1= SMFAliasOrOther • N2= indiv • N3= alias • N4= nick • N5= aka • N6= dba • N7= legal • N8= atbirth 	Optional*
B.6.3	Customer ID	Customer ID/Number allotted by the reporting entity. This information is mandatory if Customer ID/Number is allotted.	(Optional) Mandatory
B.6.4	Father's Name	Name of the father. This information is mandatory if valid PAN is not reported.	Optional
B.6.5	Spouse's Name	Name of the spouse, if available	Optional
B.6.6	Gender	<p>Permissible values are:</p> <ul style="list-style-type: none"> • M - Male • F - Female • O - Others 	Validation
B.6.7	PAN	Permanent Account Number issued by Income Tax Department. This information is mandatory if PAN is required to be collected as per regulatory guidelines.	(Optional) Mandatory
B.6.8	Aadhaar Number	Aadhar number issued by UIDAI	Optional
B.6.9	Identification Type	<p>Document submitted as proof of identity of the individual. Permissible values are:</p> <ul style="list-style-type: none"> • A - Passport • B - Election Id Card • C - PAN Card • D - ID Card • E - Driving License • G - UIDAI Letter • H - NREGA job card • Z – Others • X – Not Categorised 	Validation
B.6.10	Identification Number	Number mentioned in the identification document. This information is mandatory if PAN or Aadhar number is not reported	(Optional) Mandatory
B.6.11	Occupation Type	<p>Permissible values are:</p> <ul style="list-style-type: none"> • S - Service • B - Business • O – Others • X - Not Categorised 	Validation
B.6.12	Occupation	Please specify occupation of the individual.	Optional

S. No.	Element	Description	Requirement
B.6.13	Birth Date	This data element identifies the date of birth of the Individual Account Holder. The data format is DD/MM/YYYY. This information is mandatory if valid PAN is not reported.	(Optional) Mandatory
B.6.14	Nationality	2 character Country Code (ISO 3166)	Validation
B.6.15	Country of Residence as per tax laws	This data element describes the tax residence country code(s) for the individual being reported upon and must be present in all data records. The Country Code as per ISO 3166 has to be mentioned. If the individual is certified or treated as tax resident in more than one jurisdiction then this element may be repeated.	Validation
B.6.16	Place of Birth	Place of Birth.	(Optional) Mandatory
	City Sub entity of birth	City Sub entity of birth	Optional*
B.6.17	Country of Birth	This data element describes the Country of birth for the individual. The Country Code as per ISO 3166 has to be mentioned. This information is mandatory for foreign national or non-resident.	(Optional) Mandatory
	Former Country Name	Former name of the country	Optional*
B.6.18	Foreign Tax Identification Number (TIN) allotted by tax resident country	This data element identifies the Tax Identification Number (TIN) used by the residence country of the reported account holder to identify the Individual Account Holder. In case if there is no TIN, provide functional equivalent. This information is mandatory for foreign national or non-resident.	(Optional) Mandatory
B.6.19	TIN Issuing Country	This attribute identifies the jurisdiction that issued the TIN. The Country Code as per ISO 3166 has to be mentioned. If Country Code is not available, use XX. This information is mandatory for foreign national or non-resident in certain situations.	(Optional) Mandatory
B.6.20	Address Type	Indicates the type of the address. Permissible values are: <ul style="list-style-type: none"> • 1- Residential Or Business • 2 - Residential • 3 - Business • 4 – Registered Office • 5 – Unspecified 	Validation
B.6.21	Address	Complete address consisting of house number, building name, street, locality, city, state etc.	Validation
	Street		Optional*
	Building Identifier		Optional*
	Suite Identifier		Optional*
	Floor Identifier		Optional*
	District Name		Optional*
	POB		Optional*
B.6.22	City / Town	Name of City, Town or Village	Validation
B.6.23	Postal Code	In case of India, the 6 digit Pin code as per India Posts has to be mentioned. In case of countries outside India, respective code may be used. If Pin code is not available, use XXXXXX.	Validation

S. No.	Element	Description	Requirement
B.6.24	State Code	The two digit state code has to be mentioned as per Indian Motor Vehicle Act 1988. In case of countries outside India, or if state code is not available, use XX.	Validation
B.6.25	Country Code	The Country Code as per ISO 3166 has to be mentioned. Use IN for India. If Country Code is not available, use XX	Validation
B.6.26	Mobile/Telephone Number	Primary Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.6.27	Other Contact Number	Other Telephone (STD Code-Telephone number) or mobile number (Please do not add "0" before the number)	Optional
B.6.28	Remarks	Any additional information related to controlling person	Optional