



news flash

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FAQs update on website of US Internal Revenue Service

By way of background, on 30 June 2014 the Securities and Exchange Board of India (“SEBI”) informed all Indian Financial Institutions (“IFIs”) that they were required to register themselves with the United States Internal Revenue Service (“IRS”) to obtain a Global Intermediary Identification Number (“GIIN”) and report information about American account holders to avoid any withholding tax on payments.

SEBI has vide its circular dated 30 December 2014, once again informed all SEBI registered intermediaries of the requirement to obtain a GIIN before 1 January 2015 or at the earliest to avoid any withholding of taxes. Following the Frequently Asked Questions published on the website of IRS, SEBI has clarified that all IFIs who have registered themselves with the IRS but have not obtained a GIIN would be required to indicate to the withholding agents that GIIN has been “*applied for*”.

Hence, the IFIs would be required to take further action even if they have registered with the IRS but not obtained the GIIN in order to avoid any withholding

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