

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 1.6049.00-00 Returns Relating to Payments of Interest
(Also: 1.3406.07-00 Exceptions to Backup Withholding)

Implementation of Nonresident Alien Deposit Interest Regulations

Rev. Proc. 2012-24

SECTION 1. PURPOSE

Sections 1.6049-4(b)(5) and 1.6049-8 of the Income Tax Regulations, as revised by TD 9584, require the reporting of certain deposit interest paid to nonresident alien individuals on or after January 1, 2013. The purpose of this revenue procedure is to list, in Section 3, the countries with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of information within the meaning of section 6103(k)(4) pursuant to which the United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate, as described in §1.6049-8(a). As discussed in the preamble to the regulations, even when such an agreement exists, the Internal Revenue Service (IRS) is not compelled to exchange information, including information collected pursuant to the regulations, if there is concern regarding the use of the information or other factors exist that would make exchange inappropriate. This revenue procedure also identifies in Section 4 the countries with which the Treasury Department and the IRS have determined that it is appropriate to have an automatic exchange relationship with respect to the information collected under the regulations. This revenue procedure will be updated as appropriate.

SECTION 2. BACKGROUND

The regulations provide that in the case of reportable interest aggregating \$10 or more paid to a nonresident alien individual (as defined in section 7701(b)(1)(B) of the Internal Revenue Code), the payor shall make an information return on Form 1042-S for the calendar year in which the interest is paid. Reportable interest is interest described in section 871(i)(2)(A) that relates to a deposit maintained at an office within the United States, and that is paid to a nonresident alien individual who is a resident of a country identified, in an applicable revenue procedure (see §601.601(d)(2) of this chapter) as of December 31 prior to the calendar year in which the interest is paid, as a country with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of information within the meaning of section

6103(k)(4) pursuant to which United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate. This revenue procedure constitutes the revenue procedure referenced in §1.6049-8(a) and will be updated by subsequent revenue procedures as appropriate.

SECTION 3. COUNTRIES OF RESIDENCE WITH RESPECT TO WHICH THE REPORTING REQUIREMENT APPLIES

The following are countries with which the United States has in effect an income tax or other convention or bilateral agreement relating to the exchange of tax information within the meaning of section 6103(k)(4) pursuant to which the United States agrees to provide, as well as receive, information and under which the competent authority is the Secretary of the Treasury or his delegate:

Antigua & Barbuda
Aruba
Australia
Austria
Azerbaijan
Bangladesh
Barbados
Belgium
Bermuda
British Virgin Islands
Bulgaria
Canada
China
Costa Rica
Cyprus
Czech Republic
Denmark
Dominica
Dominican Republic
Egypt
Estonia
Finland
France
Germany
Gibraltar
Greece
Grenada
Guernsey
Guyana
Honduras
Hungary

Iceland
India
Indonesia
Ireland
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Kazakhstan
Korea (South)
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Marshall Islands
Mexico
Monaco
Morocco
Netherlands
Netherlands island territories: Bonaire, Curacao, Saba, St. Eustatius and
St. Maarten (Dutch part)
New Zealand
Norway
Pakistan
Panama
Peru
Philippines
Poland
Portugal
Romania
Russian Federation
Slovak Rep.
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
Ukraine

United Kingdom
Venezuela

SECTION 4. COUNTRIES WITH WHICH TREASURY AND THE IRS HAVE DETERMINED THAT AUTOMATIC EXCHANGE OF DEPOSIT INTEREST INFORMATION IS APPROPRIATE

The following list identifies the countries with which the automatic exchange of the information collected under §§1.6049-4(b)(5) and 1.6049-8 has been determined by the Treasury Department and the IRS to be appropriate:

Canada

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective for interest paid on or after January 1, 2013.

SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Kathryn T. Holman of the Office of Chief Counsel International (International). For further information regarding this revenue procedure contact Kathryn T. Holman on (202) 622-3840 (not a toll free call).