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## IRS Updates FAQs on FATCA

The IRS updated FAQs on FATCA (<https://www.irs.gov/businesses/corporations/frequently-asked-questions-fags-fatca-compliance-legal>) related to certifications and periodic reviews. Specifically, the updated FAQs provide additional information related to a qualified intermediary's (QI) obligation to obtain a certification from each partnership or trust subject to joint account treatment and to the requirements for a QI requesting a waiver of the periodic review requirement.

## ICI Submits Letters to Treasury and IRS on Section 988 Mark-to-Market Election and Section 965 Transition Tax on Deferred Foreign Income

The Investment Company Institute (ICI) submitted a letter (<https://www.stradley.com/~media/Files/Publications/2018/06/988%20pdf.pdf>) to the IRS and Treasury Department supporting the mark-to-market election provided for Section 988 transactions by the recently proposed regulations, but requested three clarifications to provide mutual funds with the certainty and consistency that they need. The ICI also submitted a letter (<https://www.stradley.com/~media/Files/Publications/2018/06/965%20transition%20tax%20pdf.pdf>) expressing concern about the application to RICs of the new transition tax on deferred foreign income in Section 965, as amended by Pub. L. No. 115-77 (commonly known as the Tax Cuts and Jobs Act), and requested that these rules be clarified. (Section references are to the Internal Revenue Code of 1986, as amended.)

## Proposed Regs Provide for Aggregation in Determining Whether the 250 Information Return Threshold is Met

The IRS has issued proposed regulations (<https://www.federalregister.gov/documents/2018/05/31/2018-11749/filing-requirements-for-information-returns-required-on-magnetic-media-electronically>) amending the rules for determining whether information returns must be filed using magnetic media (electronically). The proposed regulations would require that all information returns, regardless of type, be taken into account to determine whether a person meets the 250-return threshold and, therefore, must file the information returns electronically. The proposed regulations also would obligate any person required to file information returns electronically to file corrected information returns electronically, regardless of the number of corrected information returns being filed. The proposed regulations will not apply to information returns required to be filed before Jan. 1, 2019.



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