



Greenbook repropose expanded US financial institution reporting, global digital asset reporting

Global Information Reporting

On March 9, 2023, the Treasury Department released revenue proposals and explanations in the fiscal year 2024 [General Explanations of the Administration's Fiscal Year 2024 Revenue Proposals](#) ("Greenbook"). As in the fiscal year 2023 Greenbook, Treasury proposes a significant expansion of US financial institution reporting obligations on non-US account holders. This proposal is aimed at accomplishing more robust reciprocal tax information exchange between the US and jurisdictions with which it maintains reciprocal income tax treaties or intergovernmental agreements under the Foreign Account Tax Compliance Act (FATCA). The rules would require US financial institutions to report the following:

- Account balances for financial accounts maintained in the US that are held by foreign persons
- Non-US source income payments to accounts held in the US by foreign persons
- Gross proceeds from sale or redemption of property custodied in financial accounts held in the US by foreign persons
- Information regarding passive entities and their substantial foreign owners

The proposal does not address the documentation or form updates that will be required to collect and report this new information.

Additionally, the proposal would require digital asset exchanges—defined as brokers under the amended section 6045—to report substantial foreign owners of passive entities. These updates would require reporting of gross proceeds from digital asset sales effectuated on behalf of foreign customers and, in the case of passive entities, substantial foreign owners. By obtaining this information, the US will be able to exchange information with partner jurisdictions to reciprocally receive US taxpayer information on digital asset

transactions. This reporting update will effectively bring digital assets into the scope of the FATCA reporting requirements. The amendments are proposed to be effective for returns required to be filed after December 31, 2025.

In line with the above proposed amendments, the Greenbook also includes a proposal to require individuals and certain domestic entities to disclose digital assets maintained in a “foreign digital asset account,” defined as “any account that holds digital assets maintained by a foreign digital asset exchange or other foreign digital asset service provider.” Taxpayers report this information on IRS Form 8938, Statement of Specified Foreign Financial Assets, and disclosure would be required only where a taxpayer holds an aggregate of foreign accounts or assets exceeding \$50,000. The amendments are proposed to be effective for returns required to be filed after December 31, 2023.

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