

BEYOND FORM W-7: PRACTICAL LESSONS FROM THE FRONT LINES OF I.T.I.N. COMPLIANCE

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C.A.A.

Form W-7

I.T.I.N.

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INTRODUCTION

For many foreign individuals, obtaining a U.S. Individual Taxpayer Identification Number ("I.T.I.N.") represents their first substantive interaction with the U.S. tax system. At first glance, the process may appear relatively straightforward: (i) complete Form W-7, (ii) provide the required supporting documentation, (iii) submit the application to the Internal Revenue Service ("I.R.S."), and (iv) await issuance of the I.T.I.N. In practice, however, the process is considerably more nuanced.

In assisting international clients with I.T.I.N. applications as an I.R.S. Certifying Acceptance Agent ("C.A.A."), the most significant challenges are not always rooted in the technical completion of the application, itself. Rather, the areas that require the greatest attention involve the following:

- Identity verification
- Document collection
- International logistics
- Applicant expectations
- Compliance procedures

Many applicants are unfamiliar with the full scope of the C.A.A.'s role. A C.A.A. is not simply a passport certification service. The I.R.S. places significant responsibilities on a C.A.A., including identity verification, record retention, compliance procedures, and cooperation with I.R.S. oversight activities. Accordingly, a reputable C.A.A.'s role extends well beyond the preparation of forms and the assembly of supporting material.

This article offers practical observations drawn from true life experience as a C.A.A., working in coordination with legal and tax advisors to assist international clients in navigating the administrative and compliance-related dimensions of the I.T.I.N. application process. It examines the purpose of the I.T.I.N. program, the role and responsibilities of the C.A.A., common misconceptions surrounding I.T.I.N.'s, and practical lessons learned from guiding foreign individuals through the application process.

DEMAND FOR I.T.I.N.'S

The demand continuously increases for I.T.I.N.'s as international investment into the United States grows.

Foreign individuals routinely invest in U.S. real estate, establish U.S. limited liability companies, participate in startup ventures, acquire interests in private investment structures, or become partners in businesses operating in the United States. Obtaining an I.T.I.N. becomes a necessary component of U.S. tax compliance by those individuals.

In practice, many applicants are entrepreneurs, investors, business owners, or family members having little prior exposure to the U.S. tax system. Often, they are surprised to learn that a U.S. I.T.I.N. may be required even if they do not reside in the United States and have only limited physical presence in the country.

For these individuals, the I.T.I.N. application often becomes an introduction to the administrative and compliance expectations of the I.R.S. That initial experience can shape how applicants perceive the U.S. tax system for years to come.

UNDERSTANDING THE I.T.I.N.

An I.T.I.N. is a tax processing number issued by the I.R.S. to individuals who have a U.S. tax reporting obligation, but who are not eligible to obtain a Social Security Number (“S.S.N.”).

Typical applicants include the following:

- Nonresident aliens filing Form 1040-NR
- Foreign investors receiving U.S.-source income
- Members of U.S. limited liability companies
- Partners in partnerships conducting activities in the United States
- Foreign spouses included on certain tax returns
- Certain dependents
- Individuals claiming benefits under an applicable income tax treaty

An I.T.I.N. is not an immigration document. It does not authorize employment in the United States, confer immigration status, establish eligibility for Social Security benefits, or create a right to reside in the United States.

While this distinction may be readily apparent to practitioners, it remains one of the most common areas of confusion for applicants. Many non-U.S. individuals incorrectly assume that an I.T.I.N. changes their immigration position or automatically makes them a U.S. tax resident. Neither is true.

An I.T.I.N. serves only one purpose. It allows the I.R.S. to identify taxpayers who have a U.S. tax reporting obligation but are not eligible for an S.S.N.

THE C.A.A. PROGRAM

Historically, I.T.I.N. applicants were required to submit original passports to the I.R.S. or certified copies issued by the passport authority of the issuing country. For many individuals, this requirement created understandable concerns. A passport is often a

person's most important identification document and sending it through international courier systems for an extended period was viewed as both inconvenient and risky.

The C.A.A. program was designed to address this issue.¹ A C.A.A. is authorized by the I.R.S. to review original identification documents, verify identity and foreign status, complete a Certificate of Accuracy, and submit the I.T.I.N. application package on behalf of the applicant.

For most applicants, this means they can retain possession of their passport while still satisfying I.R.S. documentation requirements. Although this may appear to be a modest administrative benefit, it often removes one of the most significant practical obstacles to obtaining an I.T.I.N. For applicants who (i) travel frequently, (ii) require their passport for immigration matters, or (iii) simply do not wish to send original identification documents through the mail, the availability of a C.A.A. can make a meaningful difference.

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BECOMING A C.A.A.

Obtaining authorization as a C.A.A. involves considerably more than completing an application form. The I.R.S. requires (i) Acceptance Agent training,² (ii) forensic document training,³ (iii) suitability reviews, and (iv) compliance with ongoing program requirements. The forensic document training component is particularly important. A C.A.A. is expected to review identification documents critically and identify and resolve inconsistencies or concerns before submitting a certification to the I.R.S. The training must provide skills to effectively recognize fraudulent documents, such as,

- a passport,
- a U.S.C.I.S. photo identification,
- a U.S. driver's license,
- a foreign driver's license,
- a birth certificate,
- a visa,
- a national identification card, U.S.,
- a military identification card,
- a U.S. state identification card, and
- a foreign voter's registration card.

When a C.A.A. signs a Certificate of Accuracy, the I.R.S. relies on that certification in lieu of reviewing an original passport. The level of trust that is given by the I.R.S.

¹ See [ITIN Acceptance Agent Program](#), describing the role of Acceptance Agents and Certifying Acceptance Agents in reviewing documentation and facilitating I.T.I.N. applications.

² [“Individual taxpayer identification number acceptance agents training.”](#) Internal Revenue Service. (2025).

³ [“Forensic Training.”](#) Internal Revenue Service, July 13, 2026.

is accompanied by the acceptance of significant responsibility for the C.A.A. when carrying out specified compliance functions. The objective is not simply to complete a filing, but to establish confidence that the information being submitted is accurate, properly documented, and capable of being supported if questioned at a later time.

COMMON MISCONCEPTIONS ABOUT I.T.I.N.'S

Throughout the application process, several misconceptions by non-U.S. persons arise repeatedly:

- The first misconception is the belief that obtaining an I.T.I.N. creates U.S. tax residence. An I.T.I.N. is merely an identification number. Tax residence is determined under separate rules and depends upon factors such as immigration status, physical presence, and applicable treaty provisions.
- The second misconception is that an I.T.I.N. authorizes employment in the United States. It does not. The I.T.I.N. exists solely for tax administration purposes and provides no employment authorization.
- The third misconception is that a foreign individual who owns a U.S. L.L.C. only needs the L.L.C.'s E.I.N. While the E.I.N. identifies the entity, the individual owner may still require an I.T.I.N. for reporting purposes, depending upon the circumstances.
- The final misconception is that the process to apply for an I.T.I.N. can be left until the last minute. In practice, obtaining the I.T.I.N. early often prevents tax return filing delays and allows tax return preparers to prepare returns more efficiently.

Addressing these misconceptions early in the process frequently helps avoid confusion and unrealistic expectations on the part of the non-U.S. individual.

THE CERTIFICATE OF ACCURACY

The Certificate of Accuracy lies at the heart of the C.A.A. program. When signing the certificate, the C.A.A. confirms that (i) the original documentation was reviewed, (ii) identity verification procedures were followed, and (iii) the information presented in the application is consistent with the documentation examined.

The Certificate of Accuracy is therefore much more than an administrative attachment to Form W-7. It represents a professional certification upon which the I.R.S. relies when processing an I.T.I.N. application without requiring original identification documents. For this reason, experienced C.A.A.'s generally maintain detailed records supporting each certification.

I.R.S. REVIEW AND OVERSIGHT OF C.A.A.'S

One aspect of the program that applicants rarely appreciate is the level of I.R.S. oversight imposed on C.A.A.'s.⁴ A C.A.A. is not only responsible to the client; he or

⁴ See [Acceptance Agent Application Frequently Asked Questions](#) describing training requirements, Responsible Party obligations, and compliance expectations

she is also accountable to the I.R.S. The I.R.S. has the authority to conduct compliance reviews of Acceptance Agents and request documentation relating to specific I.T.I.N. applications. During such reviews, the I.R.S. may examine

- the veracity of a Form W-7 and the Certificate of Accuracy,
- copies of documentation reviewed,
- identity verification procedures,
- record retention practices,
- internal compliance procedures,
- interview records, and
- evidence supporting certifications made to the I.R.S.

The Certificate of Accuracy is not merely a form accompanying an application package. It represents a professional certification that may later be reviewed by the I.R.S. Consequently, maintaining detailed records and documenting verification procedures is not optional. Rather, it is an integral part of the C.A.A. framework. This reality also explains why reputable C.A.A.'s frequently request more information than applicants initially expect.

Questions regarding names, addresses, immigration status, supporting documentation, travel history, or other details are not simply administrative exercises. A professional C.A.A. must be comfortable standing behind the certification provided to the I.R.S. and must be prepared to support that certification if questions arise during a future compliance review. Accordingly, cooperation between the applicant and the C.A.A. is essential in order to raise the level of accuracy and detail at the outset.

From a practitioner's perspective, one of the most important aspects of the C.A.A. program is documentation. A defensible file typically includes the following items:

- Notes of meetings
- Records of passport inspections
- Copies of forms
- Supporting correspondence
- Verification procedures

While applicants understandably focus on obtaining the I.T.I.N., the compliance obligations of the C.A.A. continue long after the application has been submitted. The I.R.S. relies on C.A.A.'s to help preserve the integrity of the I.T.I.N. system. Oversight and documentation requirements help ensure that this reliance is justified.

LESSONS FROM THE FIELD

One of the more interesting observations from administering I.T.I.N. applications is the difference between the I.R.S. instructions and the practical realities of the

applicable to Acceptance Agents.



“The demand for I.T.I.N. services is strong and likely to grow even stronger.”

process. The forms themselves are usually not the difficult part. Identity verification, document logistics, and communication with applicants often require significantly more time and attention. Applicants frequently (i) reside in different countries, (ii) operate in different time zones, and (iii) are unfamiliar with U.S. documentation standards. Gathering information can become a project-management exercise as much as a compliance exercise. Successful I.T.I.N. engagements often depend less on tax technicalities and more on organization, communication, and attention to detail.

Here is an example, based roughly on facts encountered in practice, that illustrates the point.

- Mr. X is a national of a Latin American country. He required an I.T.I.N. in connection with a U.S. tax filing obligation.
- The underlying tax matter was relatively straightforward. The applicant's passport was easily verified.
- However, the time required for (i) marshalling supporting documentation, (ii) reviewing documents for consistency, (iii) coordinating with the individual's tax return preparer, (iv) ensuring that all required materials were assembled properly before submission, and (v) overseeing unexpected logistical challenges relating to the transmission of documentation resulted in a time consuming process among numerous individuals that far exceeded the expectation of Mr. X.
- No matter how the process was described in the initial telephone conversation, Mr. X expected the equivalent of a simple attestation of a document by a U.S. notary public.

While every case is different, the example reinforces the importance of managing expectations of a client and close coordination with a client's legal counsel and tax return preparer.

RECENT DEVELOPMENTS

The demand for I.T.I.N. services is strong and likely to grow even stronger. Cross-border investment, international entrepreneurship, remote work arrangements, and increasing global mobility have created situations where foreign individuals require access to the U.S. tax system.

At the same time, the I.R.S. continues to modernize aspects of the Acceptance Agent Program through mandatory electronic applications, enhanced training, and improved administrative procedures. Recent regulatory developments underscore the importance of robust identity verification and documentation procedures. Earlier this year, Fin.C.E.N., together with the Federal banking regulators and in coordination with the I.R.S., issued a joint advisory addressing risks involving non-work-authorized populations, their employers, and the integrity of the U.S. financial system.⁵ One portion of the advisory focused on the provenance of I.T.I.N.'s presented to

⁵ FinCEN issued Advisory FIN-2026-A002, entitled [“Joint Advisory on Non-Work Authorized Populations and Their Employers and Risks to the Integrity of the U.S. Financial System,”](#) June 5, 2026.

financial institutions.

Enhanced Due Diligence for Individual Taxpayer Identification Numbers (ITINs)

The Advisory encourages banks to consider the use of an ITIN when applying appropriate risk-based procedures for customer due diligence, in light of the totality of other factors and available information. Specifically, when an ITIN is presented in lieu of a Social Security number or valid employment authorization document to obtain credit products or open an account, banks are encouraged to assess whether the use of an ITIN may be a relevant risk factor.

From a practical I.T.I.N. perspective, the key point is not that an I.T.I.N. is improper or unusual. Rather, it is that financial institutions are expected to consider the quality of the identity documentation, customer due diligence, and surrounding facts in a risk-based manner. In short, it reinforces the need for

- accurate identity verification,
- supporting documentation,
- record retention, and
- adoption of risk-based procedures.

CONCLUSION

The I.T.I.N. is often viewed as a simple administrative requirement. It serves as the gateway through which many foreign individuals enter the U.S. tax system. The C.A.A. Program plays an important role in facilitating that process. While applicants often focus on the issuance of the I.T.I.N. itself, the broader objective is compliance. The I.R.S. relies on C.A.A.'s to verify identities, maintain appropriate records, and uphold the integrity of the application process.

In many respects, the role of a C.A.A. mirrors that of other compliance professionals. The objective is not simply to complete a filing, but to establish a process that is accurate, defensible, and capable of withstanding scrutiny if questions arise at a later point in time. For that reason, requests for additional information or supporting documentation should not be viewed by clients as obstacles. Instead, they should be viewed as essential components of a system designed to protect the integrity of the I.T.I.N. program by allowing C.A.A.-verified copies of identity documentation to be submitted to the I.R.S. instead of original documents.

As international investment and cross-border mobility continue to increase, the importance of the role played by the C.A.A. will increase. In turn, the responsibility that is imposed on the C.A.A. will increase. Experience shows that the most successful applications are not necessarily those involving the simplest facts. Rather, the most successful applications are those where the client and the C.A.A. work together to ensure the process is handled thoroughly, accurately, and professionally from the outset.



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