

INFORMATION ABOUT “FATCA”

1. What is FATCA ?

- FATCA stands for the Foreign Account Tax Compliance Act.
- FATCA is a United States (“US”) legislation that primarily aims to prevent tax evasion by US taxpayers by using non-US financial institutions and offshore investment instruments.
- FATCA impacts financial institutions on a graduated implementation timeline. Customers of financial institutions will be first impacted on 1 Jul 2014.

2. Which customers are affected by FATCA?

- FATCA will mostly affect customers who are treated as US Persons¹ for US tax purposes and customers who have been identified as having links to the US, such as with US nationality, place of birth in US, a US mailing address or a US telephone number.
- FATCA will also affect non-US entity customers who are substantially owned by US Persons.

3. What do Banks have to do to comply with FATCA?

- FATCA requires Banks to identify accounts held directly or indirectly by US Persons and to report the relevant account information to the US Internal Revenue Services (the “IRS”).²
- In order to ascertain customers’ US or non-US tax status, FATCA requires Banks to collect additional information or documentation from customers.
- Where customers fail to provide the requested information or documentation, Banks are required to apply a 30% US withholding tax on certain types of US source income paid to such customers.

4. What information may Banks report to the IRS?

- Banks are required to report information on certain account holders, including name, address, US Taxpayer Identification Number, account number, account balance to the IRS directly or through the local competent authority.³
- For a non-US entity substantially owned by US Persons, Banks are required to also report information of the entity’s US owners

5. What is the consequence if customers do not provide the requested information or documentation to the Banks?

- Subject to applicable local laws, Banks would be required to report such account information on a pooled basis to the IRS directly or through the local competent authority.
- Banks would be required to apply a 30% US withholding tax on certain types of US source income paid to such customers.
- Banks may decline account opening applications or terminate services to such customers.

6. What types of information or documentation that the Banks may request from customers?

- Banks may request customers to provide US tax forms (W-8/W-9 Forms) or a self-certification form to support the customers' claim of their non-US or US tax status.
- Where applicable, banks may also request customers provide a consent form that enables the Banks to report relevant account information to the IRS.

7. How and where can customers get additional assistance regarding FATCA?

- Please note that the Banks are unable to offer US tax advice. For tax related questions, customers should seek advice from professional tax advisors or refer to the IRS website.

¹ A United States person is defined under FATCA as a person who is —
(A) a citizen or resident (e.g. green card holder or meets substantial presence test) of the United States,
(B) a domestic partnership,
(C) a domestic corporation,
(D) any estate (other than a foreign estate, within the meaning of paragraph (31) [See IRC Section 7701(a)(31)]),
(E) any trust if —
(i) a court within the United States is able to exercise primary supervision over the administration of the trust,
and
(ii) one or more United States persons have the authority to control all substantial decisions of the trust.
(F) the United States government (including an agency or instrumentality thereof),
(G) a State (including an agency or instrumentality thereof), or
(H) the District of Columbia (including an agency or instrumentality thereof).
[See Treas. Reg. 1.1471-1(b)(132)]

² The information of this fact sheet is based on final regulations.

³ Subject to submission of consent form if necessary and other applicable local laws