

# Foreign Account Tax Compliance Act (FATCA)

## 1. What is the impact of FATCA?

Every year, City Asset Management (CAM) will be required to report information to HMRC on financial accounts held directly or indirectly by US Persons and tax residents of the Crown Dependencies and Gibraltar. Therefore, CAM will be asking some questions when you open an account so we can identify and report accurately.

## 2. How do I know if I am affected?

### • US Persons

FATCA will affect both personal and business customers who are treated as a US Person for US tax purposes.

The term US Person includes the following (but is not limited to):

- A citizen of the US, including individuals born in the US but resident in another country.
- A person residing in the US, including US green card holders.
- Certain persons who spend a significant number of days in the US each year.

For more information, you should visit the Internal Revenue Service (IRS) website or consult a tax adviser.

### • Residents of Guernsey, Jersey, Isle of Man and Gibraltar

FATCA also requires us to identify customers who are tax residences in the Crown Dependencies or Gibraltar.

## 3. When does FATCA begin?

Legislatively, FATCA has already begun but Financial Institutions are required to begin implementing certain parts from 1 July 2014.

## 4. Are all Financial Institutions affected by FATCA?

Yes, all Financial Institutions within the UK and throughout the world are affected.

## 5. What does FATCA mean for me if I am not a US Person or tax resident of Guernsey, Jersey, the Isle of Man or Gibraltar?

For most customers, FATCA will have minimal impact. You will be asked to complete a declaration form, on application, to detail your fiscal residencies. We may also contact you to confirm your statuses if we are unsure or have reason to believe you are a reportable person for FATCA purposes.

## 6. What does FATCA mean for me if I am a US Person?

If you are considered a US Person, we may ask you to supply us with additional information or documentation. We will need to report information about you and your account with us to HMRC on an annual basis. HMRC will then share this information with the IRS.

We will be speaking to you in due course, however, CAM cannot offer any advice relating to FATCA and we recommend you speak to your tax adviser if you need to discuss your tax position.

## 7. What if my circumstances change?

FATCA is an ongoing process. If your account information changes, we may have to contact you to get additional information and you should contact us with any changes to your fiscal residencies so we can update your classifications.

## 8. What information will be reported?

This information will be of a personal nature (e.g. Name, Address and Tax numbers) and of a financial nature (e.g. account numbers and account balances and transactions). We will be in further contact with affected clients to explain the requirements in more detail.

## What is FATCA?

FATCA stands for Foreign Account Tax Compliance Act and is designed to tackle perceived tax evasion using offshore accounts. Originally this was a US initiative, but there are now FATCA agreements in place between the UK and the US, the Crown Dependencies (Isle of Man, Guernsey and Jersey), as well as the Overseas Territories (Gibraltar). This will also be expanding to other countries in the coming years.

This means that Banks and other Financial Organisations must collect information about the tax residency (and citizenship) of their account holders. In some cases, we will need to report this to HM Revenue & Customs (HMRC), who will in turn forward it to the appropriate tax authorities.

