

FATCA DEVELOPMENTS & UPDATES

INFORMATION SHEET



The Foreign Account Tax Compliance Act (FATCA) is a U.S. tax law that will take effect on 30 September 2015, requiring Foreign Financial Institutions to report account information about their U.S. clients to the U.S. Internal Revenue Service (IRS).

The updates below are based on information received from the Ministry of Financial Services (MFS). The MFS has been spearheading the Intergovernmental Agreement (IGA) initiative and the development of the strategy for implementation. All impacted Bahamas-based Financial Institutions will be required to comply with FATCA.

- FATCA legislation and guidelines are in the advanced stages of development. The Government has drafted legislation, and following a formal consultation period, a final Bill will be submitted to Parliament prior to 4 April 2015.
- The Ministry of Finance (MOF) has partnered with Ernst & Young (EY) and Convey, a leading tax software provider, to design and deploy The Bahamas' FATCA reporting solution, which will include a secure FATCA reporting system, the establishment of The Bahamas Competent Authority (to be announced) and other factors that will assist in ensuring compliance with the FATCA Model 1 Intergovernmental Agreement (IGA). Additional details may be found in a press release by the MOF entitled "FATCA Compliance: Bahamas Races Toward the Finish Line with EY and Convey", dated 4 March 2015, issued by The Bahamas Information Services.
- A FATCA Forum event is being planned for mid-April. The Agenda for the forum will include a detailed outline of the FATCA reporting system (including key security features), FATCA guidelines and important deadlines.
- The reporting template for FATCA will be released before the end of March 2015.
- An information website will be launched to provide key updates, answers to FAQs and information on the FATCA reporting system.

Dated: 20 March 2015