

FATCA FAQs

1. What is FATCA?

FATCA stands for the Foreign Account Tax Compliance Act. It is a new set of US Tax Regulations brought in by the US govt. to prevent the tax evasion by US Nationals and the same enacted through the Internal Revenue Service (IRS).

2. When is the effective date of FATCA?

The effective date of FATCA is July 1st 2014.

3. What is the objective of FATCA?

The primary goal of FATCA is to obtain information from countries other than (reporting) USA about U.S. persons. FATCA would help USA to detect and prevent offshore tax evasion by U.S. persons by identifying them and collecting the appropriate tax on their holding financial assets outside the US.

4. Who is reportable under FATCA?

FATCA will affect both individual and non-individual customers (entities) who are treated as 'U.S. persons' for U.S. tax purposes.

5. What documentation will I be requested to submit for FATCA purposes?

Bank may request you to submit a self certification which we will provide you and for any additional forms we will contact you.

6. Where can I find the form that I need to complete?

You may find self certification form on our website. The forms can also be found at all Bank branches. More details on specific type of forms you may visit IRS website www.irs.gov.

7. What happens if I don't provide the required forms?

If a customer has U.S. indicia and fails to confirm its U.S. status by providing a self certification, the account will be considered as a Reportable Account, and as such information related to such account may be reported to the UAE Central Bank, or to any other local tax authority as mandated by the UAE Central Bank. Additionally, Bank may refuse to open new accounts and may restrict the products offered to customers who choose not to provide the required documents.

8. How often do I have to provide information for FATCA purposes?

You need not to provide us the self certification again unless there are a change in circumstances which results in change in your Tax Residency Status.

9. Why the bank is concerned to know whether I am a US person or not?

The Inter Governmental Agreement between UAE and US made it mandatory for the banks to provide necessary information to Authorities, which will then be transmitted to USA periodically. Banks are required to provide information about accounts held with them by US persons or entities controlled by US persons.

Individual Clients

1. What are the indicia of U.S. status for individuals?

To identify US persons for U.S. tax filing purpose, bank will run following checks in case of all accounts opened on or before 30.06.2014 :

- US citizenship (passport or green card holder) or U.S. residency
- US place of birth
- US mailing or residence address (including P.O. Box)
- US telephone number (residence or mobile)
- Standing instruction to transfer funds to an account domiciled in the US.
- Power of attorney or signatory authority granted to a person with a US address.
- An 'in care of' or 'hold mail' address that is the sole address for the account holder.

Customers having any one of the above listed indicia will be required to provide additional information and/or documentation to confirm their U.S. status.

2. What does FATCA mean for me if I don't have any U.S. Indicia?

If you don't have any U.S. Indicia, FATCA will have no impact on you; however, we may still request you to confirm your non-U.S. status by providing a self certification form to Bank.

3. What does FATCA mean for me if I have U.S. Indicia?

If you have any one of the U.S. indicia, you will be asked to provide us with additional information/ documentation, to confirm your U.S. status. Bank may also be required to report information on your account to the relevant UAE authorities as per legal obligation.

4. If I have a U.S.-dollar account or investment in US securities, does this classify me as a U.S. person?

Not necessarily, the definition of a U.S person is based on the account holder's information or presence of any one or more indicia, rather than the type of account he is having with Bank.

5. If I have dual citizenship with the U.S., am I considered a U.S. person?

Yes, please refer to the US indicia section.

Business Clients

1. Is FATCA only applicable to U.S. entities?

No, FATCA may also impact certain Non U.S. entities with U.S. Substantial Owners.

2. What do I need to do if I am a business client with U.S. Owners?

You need to confirm your U.S. status by providing certain information in self certification form of Bank. Additionally, in some cases an additional IRS form as relevant to entity may be required to declare U.S. owners.

3. What if I am unable to select any of the classifications mentioned on the form?

If you are unable to select any of the classifications, you should seek advice from a tax professional.

Note: Bank of Baroda is not undertaking tax consultation therefore for any tax advice about your FATCA classification or interpretation of any terms; please seek advice from a tax professional.