

July 15, 2013

New IRS Guidance Extends FATCA Implementation Timeline

On July 12, 2013, the IRS issued Notice 2013-43 (the “Notice”), announcing an extension of a number of deadlines for implementing the Foreign Account Tax Compliance Act (“FATCA”). These extensions are intended to address practical problems for both U.S. withholding agents and foreign financial institutions (“FFIs”) under the existing deadlines.

The changes announced include a six-month extension—to July 1, 2014—to the date that FATCA withholding will begin to apply. The Notice also announces corresponding changes to other deadlines (such as the dates for implementing new account opening procedures and due diligence on account holders). The IRS also revised the definition of “grandfathered obligations” to include obligations that are outstanding on July 1, 2014.

The deadline for FFIs to enter into an “FFI Agreement” or otherwise register with the IRS before FATCA withholding begins has also been extended to April 25, 2014. FFIs are expected to be able to access the IRS FATCA registration website beginning on August 19, 2013 (instead of July 15, 2013), but will not be able to submit final information to the IRS until January 1, 2014. Correspondingly, the IRS will not issue any global intermediary identification numbers until 2014.

Finally, the IRS intends to issue a list of jurisdictions that will be treated as having in effect an intergovernmental agreement to implement FATCA (an “IGA”). Jurisdictions on the list will generally have signed an IGA, but may not have yet brought the IGA into force. FFIs that are resident in such jurisdictions will generally be able to register with the IRS as if the jurisdiction had an IGA in effect.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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