Understanding FATCA

Foreign Account Tax Compliance Act

What is FATCA?
FATCA, the Foreign Account Tax Compliance Act was introduced by the U.S. Government, effective 1st July 2014 to ensure collection of taxes from U.S. persons who hold financial accounts outside the U.S.

How Does FATCA Affect Me?
FATCA applies to and/or impacts:

- citizens or residents of the U.S. including green card holders;
- partnerships, corporations, estates, trusts, incorporated or created under U.S. law;
- non U.S. incorporated entities having 10% or more of their shares owned by –
  - a U.S. incorporated entity; or
  - an individual who: is a U.S. citizen or resident (including a green card holder); was born in the U.S.; has a U.S. residential or mailing address; or has a U.S. in-care-of or hold-mail address as a sole address.
- Foreign Financial Institutions*, including institutions carrying on insurance or investment business or holding financial accounts.

*Foreign Financial Institution: A Non-U.S. entity that accepts deposits, holds financial assets for the account of others as a substantial part of its business, or engages primarily in the business of investing or trading securities, commodities, partnerships or any interests in such positions.

If any of the above apply to you, we may contact you to update your customer information, as mandated by FATCA. All new clients will be asked to submit information which will help us determine whether or not any of the above apply.

Sagicor is FATCA Compliant
As part of the Foreign Account Tax Compliance Act, Sagicor is required to submit information on its U.S. customers the U.S. Inland Revenue Service (IRS) or indirectly through domestic authorities. Customers who refuse to cooperate with FATCA must also be declared to the IRS. As a group which includes several Foreign Financial Institutions, Sagicor's compliance with FATCA, as well as domestic laws, will protect the company and its customers from penalties.