

► **What information will be reported to the IRS and how frequent?**

FFIs will be required to report the following information on U.S. accounts on an annual basis starting 2015:

- Initially for accounts maintained in 2014: the account name, address, U.S. taxpayer identification information, account number, and account balance.
- In 2016: FFIs will be required to additionally report U.S. source of income.
- In 2017: the reporting is further enhanced to include gross proceeds from U.S. investments.

► **What is the Association of Banks in Jordan doing to address FATCA?**

The Association of Banks is urging all the banks to adhere to FATCA and is working to raise the awareness of its members on the effect of not being fully compliant with FATCA.



جمعية البنوك في الأردن
ASSOCIATION OF BANKS IN JORDAN



For further information visit the IRS website at: www.irs.gov

This communication provides general information which is current as of July 2013. The information contained in this communication does not constitute tax advice and should not be relied on as such. Consult your legal/tax advisor for further information.

► **What is FATCA?**

FATCA is the U.S. Foreign Account Tax Compliance Act that has been enacted by the U.S. Government, and will come into effect as of July 1, 2014.

► **What is FATCA about?**

FATCA calls for all non-U.S. financial institutions worldwide (Foreign Financial Institutions "FFIs") to enter into an agreement with the U.S. Tax Authority (the Internal Revenue Service "IRS") to identify, document, and report U.S. accounts.

► **What is a U.S. account?**

A U.S. account is an account maintained by a U.S. person (whether individual or entity) or by a foreign entity with U.S. ownership of more than 10% of the capital, whether directly or indirectly.

► **Are all U.S. entities and U.S. owned foreign entities subject to annual reporting to the IRS?**

No, FATCA provides for exceptions to certain entities such as publicly listed companies that meet certain requirements. Consult your tax advisor to determine whether or not the entity is subject to exceptions under FATCA provisions.

► **For FATCA purposes, what does a U.S. person mean?**

A U.S. person is a person who falls under any of the following categories:

- Holds a U.S. passport
- Holds a U.S. citizenship (sole or dual)
- Holds a U.S. Green Card
- Is resident of the U.S.
- Was born in the U.S.
- Is a non-U.S. citizen who has substantial presence in

the U.S.

- Is a U.S. tax payer for any other reason

► **How does FATCA impact me as a customer?**

Your bank will ask you to complete certain documentation if your account information indicates that you are a U.S. person.

U.S. indications are listed below:

For individuals:

- U.S. citizen or resident
- U.S. place of birth
- Current U.S. address (including a U.S. Post Office Box)
- U.S. telephone number
- Standing instructions to pay amounts to an account maintained in the U.S.
- Current power of attorney or signatory authority granted to a person with a U.S. address
- An "in-care-of" address or a "hold mail" address that is the sole address identified for the account

For entities:

- U.S. entity
- U.S. residence
- Current U.S. address or U.S. mailing address
- Standing instructions to pay amounts to a U.S. address or an account maintained in the U.S.
- U.S. telephone number
- Current Power of attorney or signatory authority granted to a person with a U.S. address
- An "in-care-of" address or "hold mail" address that is the sole address identified for the account

► **What documentation am I required to present to my bank?**



U.S. Foreign Account Tax Compliance Act (FATCA)

Frequently Asked Questions



If you are a U.S. person, you are required to complete and sign a "W-9 Form" and a "Bank Secrecy Waiver" to enable your bank to report your information to the IRS. However, if you are not a U.S. person although your account information indicated such, then you are required to complete a "W-8 Form" to certify your non-U.S. status.

► **What is a W-9?**

A U.S. tax form used to collect U.S. persons' identifying information to help file information returns with the IRS. It includes among other things, the U.S. person's name, address, and taxpayer identification information.

► **What is a W-8?**

A U.S. tax form used by non-U.S. persons to certify their non-U.S. status.

► **I used to hold a U.S. citizenship/Green Card and gave it up years ago. Am I still considered a U.S. person?**

No, but you need to prove that you have given up your U.S. citizenship by providing a Certificate of Loss of Nationality of the U.S. or an Abandonment of Lawful Permanent Resident Status Form (Form I-407) if you were a permanent resident.

► **What happens if I refuse to provide the requested information or sign the Bank Secrecy Waiver or other FATCA Forms?**

Customers who refuse to provide the required documentation under FATCA are subject to a 30% withholding tax on any U.S. source of income credited or paid to their account. Additionally, FFIs are required to close recalcitrant (non-cooperative) accounts.