

# **THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (USA) (IMPLEMENTATION AND ENFORCEMENT) BILL 2014**



Prepared for the  
Presentation to Non-banking Finance Industry

**Eastern Caribbean Central Bank  
St Kitts**



# The Foreign Account Tax Compliance Act (USA) (Implementation and Enforcement) Bill 2014

## Purpose

- To make provision for authorising the enforcement of the obligations of (ECCU Territory) under an agreement for cooperation to facilitate the implementation of the Foreign Account Tax Compliance Act.

## 1 Short Title and Commencement Date



# The Foreign Account Tax Compliance Act (USA) (Implementation and Enforcement) Bill 2014

## 2 Interpretation

- This section provides an interpretation of important terms used in the Bill:
  - Competent Authority
  - Financial Institution

## 3 Articles of Agreement to have the Force of Law

- This relates to the IGA signed by the respective territories and the United States of America.



# The Foreign Account Tax Compliance Act (USA) (Implementation and Enforcement) Bill 2014

## 4 Amendments to the IGA

- The ECCU Territory and the USA must agree to any changes to the IGA.
- The Governor/Governor General/President on the advice of Cabinet may by Order amend the Schedule (IGA) to this legislation (the IGA).



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## 5 Competent Authority

- Identification of the Competent Authority, with the ability to designate responsibilities under the Act. Competent Authority vested with the power to administer and process requests made in accordance with the IGA and providing reciprocal assistance.
- Power of the Competent Authority to request information from financial institutions.
- Provision of information requested under the IGA is not in breach of secrecy laws in financial services legislation.
- Penalty for failure to provide information to the Competent Authority.



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## 6 Identification of reportable accounts

- FIs must appoint a compliance officer to maintain the FATCA requirements.

## 7 Secrecy

- Provides for the confidentiality of information.
- Disclosure of information only allowed to fulfill the purpose of the Agreement.
- Penalty for breach of secrecy.



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## 8 Restrictions of use of confidential information

- Provides that information provided by the USA will not be used for any purpose outside of the Agreement unless authorised by the High Court.

## 9 Costs

- The parties can agree to address the costs that arise from a request made under the Agreement.

## 10 Immunity from suit

- Indemnifies the Competent Authority and its employees who disclose information in compliance with section 5.
- Disclosure is not a breach of confidential relationship between owner of information and person disclosing.



# Status of the Legislation and Next Steps

## 11 Regulations

- The Minister for Finance acting on the advice of Cabinet may make regulations to give effect to the provisions of the Agreement and this Act.

## Schedule





# Next Steps

- Upon the completion of the negotiation phase, the Bill will be submitted to the Member Territories for passage in their respective Parliaments.



**THANK YOU**