



Office of the Permanent Secretary Finance

P.O. Box 60
The Secretariat
The Valley
Anguilla
West Indies

Tel: (264) 497-2547
Switchboard: (264) 497-2451 ext. 2200
Fax: (264) 497-3761
Email: aidan.harrigan@gov.ai
Email: mofgoa@gov.ai

2 May 2013

The Valley, Anguilla – The Government of Anguilla wishes to confirm that it has made the decision to enter into a Model 1B Intergovernmental Agreement with the US Government, in response to the Foreign Account Tax Compliance Act (FATCA). This decision to pursue the Model 1B follows consultation with industry representatives who have given their support for the proposed course of action.

FATCA is a US law that requires Foreign Financial Institutions to report to the IRS specified information about US clients. The intent behind FATCA is to keep US persons from hiding income and assets overseas. Financial institutions in Anguilla would be subject to a 30% withholding tax on certain US sourced payments for failing to comply with FATCA.

The action taken by the United States under FATCA gives a unique opportunity to develop a new global standard in the near future and from that to develop a system of multilateral automatic information exchange. The Government of Anguilla embraces this next step and has committed to entering into an automatic exchange of information agreement with the UK to the same timetable as the agreement which it is currently pursuing with the US. The finalized terms and details of both agreements will be subject to consultation with the Anguilla financial services industry and HMG.

Furthermore, building on our actions as regards the EU Savings Directive, we also commit to joining in due course the pilot multilateral automatic exchange of tax information announced recently by the UK, France, Germany, Italy, and Spain.

Additionally, we have committed to reviewing the effectiveness of our legal and enforcement framework and to produce an Action Plan aimed at ensuring that we are in the forefront of jurisdictions in respect of information and enforcement of rules on beneficial ownership.

We look forward to working in close cooperation with the UK on these commitments and would urge rapid development of new global standards in these areas.