



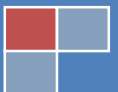
Tax & Corporate Services

2014

Cyprus and the US sign FATCA Intergovernmental Agreement

On the 2nd of December 2014, the Minister for Finance and the US Ambassador in Cyprus signed the Intergovernmental Agreement (the IGA) for the purposes of the application of the Foreign Account Tax Compliance Act (FATCA).

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The Finance Minister, Haris Georgiadis, on behalf of the Cyprus Republic and the Ambassador of the United States in Nicosia, Mr. John M. Koenig, from the United States, signed on 02/12/2014 the intergovernmental agreement (Intergovernmental Model 1A Agreement) to strengthen the International Tax Co-operation for the implementation of FATCA (Foreign Account Tax Compliance Act).

Based on reporting agreement, the competent authorities of Cyprus Republic (Department of Taxation Ministry of Finance) will provide US authorities (Inland Revenue Service) financial information in relation to bank accounts of US persons as defined in the agreement

To date, the US has signed over 40 intergovernmental agreements (FATCA), becoming a global standard in the Government effort US to curb tax evasion and avoidance on offshore activities and encouraging transparency

Foreign financial institutions (“FFIs”) as defined in FATCA are required to report specified information annually to the American Internal Revenue Service (“IRS”) regarding direct and indirect US account holders. A US account holder is someone displaying one or more of the following characteristics:

- a US birthplace;
- a US residence address or a US correspondence address (including a US PO box);
- US citizenship or lawful permanent resident (green card) status;
- standing instructions to transfer funds to an account maintained in the United States, or directions regularly received from a US address;
- a power of attorney or signatory authority granted to a person with a US address; or
- an “in care of” address or a “hold mail” address that is the sole address with respect to the client;

