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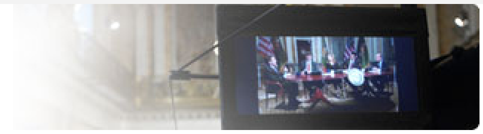

Treasury Engaging with More than 80 Countries to Combat Offshore Tax Evasion and Improve Global Tax Compliance

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Due to overwhelming interest abroad, Treasury announces a six-month extension to the Foreign Account Tax Compliance Act withholding requirement

WASHINGTON – The U.S. Department of the Treasury and the Internal Revenue Service today announced that due to overwhelming interest from countries around the world, a six-month extension to the start of the Foreign Account Tax Compliance Act (FATCA) withholding and account due diligence requirements will be provided to allow more time to complete agreements with foreign jurisdictions. The six-month extension, to July 1, 2014, will also provide foreign financial institutions (FFIs) with the time necessary to comply with FATCA while helping to ensure efficient implementation of the law.

“Given the groundswell of international interest in FATCA, we are providing an additional six months to complete agreements with countries and jurisdictions across the globe, before withholding begins,” said Treasury Deputy Assistant Secretary for International Tax Affairs Robert B. Stack. “The high volume of international participation in this effort represents a quintessential race to the top. Every additional country we bring on board means we are one step closer to winning the fight against offshore tax evasion.”

Enacted by Congress in 2010, FATCA targets non-compliance by U.S. taxpayers using foreign accounts and establishes a global approach to combatting offshore tax evasion. FATCA requires U.S. financial institutions to withhold a portion of payments made to FFIs who do not agree to identify and report information on U.S. account holders.

To make compliance with the reporting requirements of FATCA feasible, particularly for FFIs in jurisdictions where existing laws prohibit this type of reporting, Treasury has developed intergovernmental agreements (IGAs) that rely on governmental cooperation to facilitate the exchange of FATCA information. This approach not only addresses legal impediments that exist in some foreign countries, but also reduces burdens on financial institutions and streamlines the reporting process. The approach has been praised by the Organisation for Economic Co-Operation and Development (OECD), the G-8, and many others within the global community who are now actively considering making FATCA IGAs the basis for an international standard for the automatic exchange of this type of tax information.

Stopping offshore tax evasion is a global issue and the IGAs are a crucial component to FATCA implementation. To date, Treasury has signed nine IGAs, and is engaged in related conversations with more than 80 other jurisdictions.

While the start of withholding and due diligence will be extended to July 1, 2014, the first report of information under FATCA continues to be due in 2015, and will include information about accounts maintained during 2014. The FATCA registration website will be open by August 19, which will allow financial institutions substantial time to begin testing the process and entering information. Other key FATCA deadlines, including expected timelines for the implementation of withholding on gross proceeds from sales of U.S. securities and passthru payment withholding, remain unchanged.

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