

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## United States Signs Six More Bilateral Agreements To Improve Tax Compliance, Combat International Tax Evasion, And Implement FATCA

12/19/2013

*Bermuda, Malta, the Netherlands, and Three UK Crown Dependencies Join 12 Others Working Globally to Combat Tax Evasion*

**WASHINGTON** – The U.S. Department of the Treasury announced that, in the past week, the United States has signed bilateral agreements with six additional jurisdictions to implement the information reporting and withholding tax provisions commonly known as the Foreign Account Tax Compliance Act (FATCA). Enacted by Congress in 2010, these provisions target non-compliance by U.S. taxpayers using foreign accounts. With these most recent agreements, the United States has signed 18 FATCA intergovernmental agreements (IGAs), has 11 agreements in substance, and is engaged in related discussions with many other jurisdictions.

FATCA is rapidly becoming the global standard in the effort to curtail offshore tax evasion. Over the past week, Malta, the Netherlands, The Islands of Bermuda, and three UK Crown Dependencies – Jersey, Guernsey, and the Isle of Man – signed various agreements with the United States to implement FATCA.

"FATCA continues to gather momentum as we work with partners worldwide to combat offshore tax evasion," said Deputy Assistant Secretary for International Tax Affairs Robert B. Stack. "This large number of signings in one week alone sends a strong signal to tax evaders everywhere: international support for FATCA is growing."







FATCA seeks to obtain information on accounts held by U.S. taxpayers in other countries. It requires U.S. financial institutions to withhold a portion of certain payments made to foreign financial institutions (FFIs) who do not agree to identify and report information on U.S. account holders. Governments have the option of permitting their FFIs to enter into agreements directly with the IRS to comply with FATCA under U.S. Treasury Regulations or to implement FATCA by entering into one of two alternative Model IGAs with the United States. Today, Bermuda signed a Model 2 agreement, meaning that Bermuda will direct and legally enable FFIs in Bermuda to register with the IRS and report the information required by FATCA about consenting U.S. accounts directly to the IRS. This requirement is supplemented by government-to-government exchange of information regarding certain pre-existing non-consenting accounts on request.

Malta, the Netherlands, and each of the Crown Dependencies that signed this week entered into Model 1A agreements. Under these agreements, FFIs will report the information required under FATCA about U.S. accounts to their home governments, which in turn will report the information to the IRS. These agreements are reciprocal, meaning that the United States will also provide similar tax information to these governments regarding individuals and entities from their jurisdictions with accounts in the United States.

In addition to these FATCA agreements, protocols to the existing tax information exchange agreements with Jersey, Guernsey, and the Isle of Man were also signed.

Updates and further information on FATCA can be found by visiting the Treasury FATCA page [here](#).

The agreements can be found at:

- [The Islands of Bermuda](#) 
- [Guernsey](#) 
- [Isle of Man](#) 
- [Jersey](#) 
- [Malta](#) 
- [Netherlands](#) 

##

