

FATCA (Foreign Account Tax Compliance Act)

What is FATCA?

- FATCA is United States legislation which requires non-U.S. Financial Institutions to report on the financial accounts (policies) held by customers who are either U.S. citizens or individuals/entities resident in the U.S. for tax purposes
- This includes those who live outside the U.S. The requirement is to report their financial accounts held outside the United States
- It does not relate to individuals who may have worked in the U.S. for the Summer on a J1 VISA
- FATCA legislation requires foreign institutions such as Irish Life to report their American clients to the IRS (Internal Revenue Service), via the Irish Revenue, from 1st July 2014
- Congress enacted FATCA to make it more difficult for US citizens / taxpayers to conceal assets held in offshore accounts

The impact of FATCA legislation

- From 1st July 2014, Irish Life must register with the IRS and report information to Revenue on accounts held by U.S. citizens, U.S. tax residents (who have Irish Life policies) and certain U.S. controlled foreign entities. Revenue will in turn report to the IRS
- The legislation only applies to savings, investment and unit-linked or whole of life products – it does not apply to pensions or non-unit-linked protection policies

What will change in Irish Life in terms of the new business process?

The following requirements relate to individual customers.

From 1st July 2014, all new customers will be asked at new business stage if they are resident in the U.S. for tax purposes or if they are a U.S. citizen. There will be a new question on the application form and on the EPOS online proposal system

- If the customer indicates they are either resident in the U.S. for tax purposes or are a U.S. citizen, then they will be asked to provide their U.S. tax identification number (equivalent of PPSN). **From 1st January 2017, we will be unable to issue policies without this number.**
- When the policy issues for customers who have indicated their U.S. citizenship or tax residency, a letter will be sent to them, advising of Irish Life's obligation to report the policies to the IRS via Revenue. A form will be attached which the customer can complete and return to Irish Life, in the event that they are not a U.S. citizen or U.S. tax resident