

BY EMAIL ONLY

1 May 2014

To the Senior Executive Officers of DFSA Regulated Entities

Re: United States Foreign Account Tax Compliance Act (“FATCA”)

Dear SEO,

As I am sure you are aware, the United States Foreign Account Tax Compliance Act (“FATCA”) became law in March 2010 with an effective date of 1 January 2014. FATCA targets tax non-compliance by U.S. taxpayers with foreign accounts. To do this, FATCA places reporting requirements on U.S. taxpayers about certain foreign financial accounts and offshore assets and places certain requirements on Foreign Financial Institutions (“FFIs”) regarding identifying and reporting financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest.

As we have previously indicated, the UAE Government, spearheaded by the UAE Central Bank and the UAE Ministry of Finance, initiated a programme to collaborate with the U.S. on FATCA compliance. The DFSA is participating in this unified effort. The UAE Government is seeking to negotiate a “Model 1B” Inter-Governmental Agreement (“IGA”).

We expect that an IGA will be reached between the UAE Ministry of Finance and the US Treasury in due course, and the DFSA will continue its collaboration with the UAE Central Bank and the UAE Ministry of Finance with regard to the IGA implementation. This may involve the development of a reporting framework for the relevant DFSA-regulated entities, depending on the scope of the IGA.

Regardless of the IGA contents, we expect that the compliance onus with regard to FATCA will remain with the FFIs. Accordingly, all regulated entities should assess their obligations under FATCA regulations and take the steps they deem necessary before and after the IGA is finalised, including any legal advice regarding the registration and compliance measures introduced by the FATCA framework.

I urge you to consider FATCA compliance in light of these developments. Please feel free to contact Michael Ridgeway, General Counsel or Serdar Guner, Director, Supervision if you have additional questions regarding FATCA.

Sincerely,



Bryan Stirewalt
Managing Director, Supervision

cc: Compliance Officers