

BY EMAIL

4 June 2018

To the Senior Executive Officers of the DFSA Authorised Firms

RE: Reporting obligations - Foreign Account Tax Compliance Act and Common Reporting Standards

Dear SEO,

I am writing to remind you about certain reporting obligations concerning the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standards (CRS).

As you will be aware, the FATCA was enacted in 2010 by United States (US) Congress to target non-compliance by US taxpayers using foreign accounts. FATCA requires foreign financial institutions (FFIs) to report to the IRS information about financial accounts held by US taxpayers, or by foreign entities in which US taxpayers hold a substantial ownership interest.

You will also be aware that the United Arab Emirates (UAE) entered into a FATCA Inter-Governmental Agreement (IGA) with the US on 17 June 2015. The full text of the IGA is available on the US Treasury website: link [here](#). Following ratification of the IGA by the UAE Government in 2016, the UAE Ministry of Finance issued certain FATCA guidelines which are available on its website: link [here](#).

Following on from the above, the Organisation for Economic Cooperation and Development (OECD) developed the CRS as a global reporting standard for the automatic exchange of information. The intention being to allow tax authorities to obtain a clearer understanding of financial assets held abroad by their residents, for tax purposes. You can access relevant CRS information on the OECD website: link [here](#).

We also draw your attention to the DIFC Common Reporting Standard Law, DIFC Law No. 2 of 2018 which came into effect 14 March 2018 which is intended to align with the OECD CRS framework. The DIFC also issued Common Reporting Standard Regulations. The full text of the DIFC law and regulations are on the DIFC website: link [here](#).

While we understand FATCA and CRS reporting obligations have significant similarities, it is important that you understand the nature of the reporting obligations under each of FATCA and CRS, including any differences that impact your particular reporting obligations and specific DIFC legislative requirements.

Accordingly, it is now time to consider the reporting obligations of your Firm under FATCA and the CRS. As was the case for previous years, reporting for FATCA and CRS is required to be actioned via the DIFC Register of Companies (RoC) portal designed specifically for this purpose. **We understand the portal will be available for Firm input for both FATCA and CRS reporting by Wednesday 6 June 2018 and will close on 8 July 2018.** You can access the RoC reporting portal on the DIFC website: link [here](#).

As I mentioned in my previous SEO letters concerning FATCA and now FATCA and CRS reporting obligations, Authorised Firms should continuously assess their obligations under FATCA, CRS and any DIFC specific legislation, and ensure compliance.

As has been the case in prior years, please be advised that the DFSA and the RoC will not provide any guidance to Authorised Firms in relation to FATCA or CRS reporting obligations. It is the responsibility of each Authorised Firm to consult and seek advice from their own appropriate legal and other professional advisers.

Please also note this letter is not any form of legal or other advice but rather general comments and observations only.

Yours sincerely,



Bryan Stirewalt
Managing Director

Copy to: All Compliance Officers