

BY EMAIL

RESPONSE REQUIRED

3 February 2014

To the Senior Executive Officers of DFSA Authorised Firms

Re: Awareness Survey of the US Foreign Account Tax Compliance Act

Dear SEO,

This is in regard to a survey to test awareness for the United States Foreign Account Tax Compliance Act ("FATCA"), which became law in March 2010. FATCA targets tax non-compliance by US taxpayers which have foreign accounts. FATCA focuses on reporting mechanisms by requiring actions by both US taxpayers and by "Foreign Financial Institutions" (FFIs) which might have accounts of US taxpayers or foreign entities in which US taxpayers hold a substantial interest. The objective of FATCA is to require a dual reporting line of foreign financial assets in order to reduce the perceived level of tax non-compliance by US taxpayers. Importantly, the law contains certain penalties for those persons (including FFIs) that do not comply with the reporting requirements.

The US is collaborating with governments around the globe to develop two model Intergovernmental Agreements (IGAs) to implement FATCA. The IGAs contemplate that a partner government will require all FFIs located in its jurisdiction (that are not otherwise exempt) to identify US accounts and report information to the US Internal Revenue Service about those US accounts. Both "Model 1" and "Model 2" IGAs can be implemented without having in effect a double tax convention or tax information exchange agreement with the US. IGAs with partner jurisdictions facilitate the effective and efficient implementation of FATCA. In addition, the IGAs attempt to remove domestic legal impediments to compliance and attempt to reduce burdens on FFIs located in partner jurisdictions. Please see the following link if you would like additional information on FATCA, in general: [http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-\(FATCA\)](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-(FATCA)).

The UAE government, spearheaded by the Ministry of Finance and the Central Bank, has initiated a programme to collaborate with the United States on FATCA compliance. All financial services regulators in the UAE are part of this programme, including the DFSA. As part of this programme, the DFSA wishes to conduct a survey regarding FATCA awareness and readiness of the regulated entities operating in or from the DIFC. This will also assist us in identifying the FFIs that are affected by the FATCA requirements.



The attached survey is a short questionnaire with three main sections including: general information regarding the approach taken by Authorised Firms; certain client management initiatives; and, registration with the US Internal Revenue Service. It also has a text comment area that allows respondents to include any issues regarding FATCA regulations that they wish to raise. **In order to make this survey meaningful, we will need the participation of every Authorised Firm. This should be completed and returned to the DFSA on or before 16 February 2014.**

I want to thank you for participating in this and other surveys and thematic reviews the DFSA has conducted in the past which have been instrumental for the DFSA to identify current issues and continue to foster the necessary dialogue with the regulated entities in the DIFC. I urge you to continue to be involved in the ongoing dialogue with the DFSA regarding FATCA. The survey can be accessed through this **link**.

If you have any questions regarding this questionnaire please contact the DFSA using the Email: fatcasurvey@dfsa.ae.

Sincerely

A handwritten signature in black ink, appearing to read 'Bryan Stirewalt', is written over a light blue horizontal line.

Bryan Stirewalt
Managing Director, Supervision

Please read the following notes before completing the questionnaire

1. Each firm should submit only one completed questionnaire.
2. A sample .pdf version of the survey is attached to this letter. This sample is a print from the design template of all questions and will not be the format in which you view the survey when online.
3. You should only input answers to the online version when you are prepared to input all answers in one sitting. We recommend that you print and complete the attached .pdf version of the survey. We recommend that you avoid using the survey's "back" button as it will cause the deletion of previously entered data. Only after you are satisfied with your answers to all of the questions, input the answers to the online version.
4. When online, you will be presented with the questions on a page by page progression and a response to each question will be required to all questions presented in order to progress. Note that certain questions within the survey are conditional upon your response to the preceding question; therefore, not all of the questions on the .pdf version will necessarily be presented to you in the online version.
5. You cannot **simultaneously** complete multiple questionnaires for separate entities, unless you are accessing each questionnaire via a different computer/browser.
6. **If you need to complete more than one questionnaire** for different DFSA licensed entities, it is necessary to clear the browser history after each submission otherwise you will overwrite your previous entries. After clearing the browser history you should be presented with a new unpopulated questionnaire when accessing the link. Your previous submission will no longer be updateable at that point.