

Foreign Account Tax Compliance Act (FATCA)

FATCA: Is the law on compliance with Tax Rules for U.S Accounts outside of the United States of America, enacted in 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act, is an important development in U.S. efforts to combat tax evasion by U.S. persons holding investments in accounts outside the U.S., The final regulations under the FATCA provisions were released on January 17, 2013, Published on January 28, 2013 and went into force on 1st July, 2014.

U.S Account: A U.S account is an account maintained by a U.S person (whether individual or entity) or by a foreign entity with U.S ownership of more than 10% of the capital, whether directly or indirectly.

Under FATCA: All financial institutions – US domestic and foreign – must classify account holders as either US or non US based. The act will also require foreign financial institutions (FFIs) to report directly to the United States Internal Revenue Service (IRS) specific information about financial accounts held by US taxpayers or by foreign entities in which US taxpayers hold a substantial ownership interest more than 10%.

FATCA requires: Foreign Financial Institution have to report to the IRS about the U.S. Persons who maintain accounts with them.

FATCA requires: Foreign Financial Institution have to report to the IRS about the U.S. Foreign Entity with U.S. ownership who owns directly or indirectly 10% or more of the capital.

Definition of the U.S Person: Any person falling within any of the following categories:

- Holds a US Passport.
- Holds US citizenship (single or double).
- Holds a permanent residence card (Green Card).
- Resident in the United States of America.
- Place of birth in the United States of America.
- A person who does not hold US citizenship (or Non-US Citizen) but who is subject to the conditions of continuing residence examination in the United States of America.
- Taxpayers in the United States for any other reason.

U.S indications (Indicia) are listed below:

For individuals:

- U.S citizen or resident.
- U.S place of birth.



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- Current U.S address (including a U.S post Office Box).
- U.S telephone number.
- Standing instructions to pay amounts to an account maintained in the U.S.
- Power of attorney or signatory authority granted to a person with a U.S address.

For entities:

- U.S entity.
- U.S residence.
- Current U.S address (including a U.S post Office Box).
- Standing instructions to pay amounts to an account maintained in the U.S.
- U.S telephone number.
- Power of attorney or signatory authority granted to a person with a U.S address.

Documents required from JKB Customers:

1. **Form W-9:** Is a form issued by the Internal Revenue Service (IRS) used to obtain the information of the US citizen and disclose tax information to the IRS Department.
<http://www.irs.gov/pub/irs-pdf/fw9.pdf>
2. **Form W-8BEN:** Is a form issued by the Internal Revenue Services department used by non-US citizens who have US indicia in order to confirm that they are non-US.
<http://www.irs.gov/pub/irs-pdf/fw8ben.pdf>
3. **Form W-8BEN-E:** Is a form issued by the Internal Revenue Services department used by foreign institutions to confirm their status under FATCA.
<https://www.irs.gov/pub/irs-pdf/fw8bene.pdf>

For more information about FATCA, Return to the website of Internal Revenue Service (IRS): www.irs.gov

Disclaimer:

The information above is based on the Bank's interpretation of the FATCA regulations, and does not constitute any form of legal advice or tax advice.

It should be noted; the customer hold the full responsibility of providing correct information and the customer should notify the bank in the event of any change in such information in accordance to the applicable principle of self-certification.