

ATTIC confident about FATCA

By Clint Chan Tack Thursday, August 25 2016

THE Association of TT Insurance Companies (ATTIC) yesterday said Finance Minister Colm Imbert's signing of the Inter-Government Agreement (IGA) on the Foreign Account Tax Compliance ACT (FATCA) has gone a long way to remove uncertainty in the financial services industry in TT. In a statement, ATTIC said the signing of the IGA by Imbert and United States Ambassador to TT, John Estrada, on August 19, came as a great relief to the Association.

ATTIC said the financial services industry has been anticipating the implementation of FATCA for some time and early in the process, the former People's Partnership (PP) government, announced, "that we would follow the model 1 IGA." The Association said this IGA is similar to the model adopted by other countries such as Barbados and simply means that local reporting financial institutions will supply information to the local tax authority, who will then report to the US tax authority.

In the absence of the IGA, local financial institutions would have to report to the US tax authority directly.

"Compliance with FATCA reporting is essentially mandatory as non-compliance would have resulted in the imposition of withholding taxes on remittances out of the US," ATTIC said. The Association observed that there was some delay in progressing the local legislation and though the time frame is relatively short to the September 30 deadline for compliance, "we are optimistic that the arrangements can be finalised, and as an industry we would expect that all participants would be willing to cooperate." Noting the law was enacted in the US in March 2010, ATTIC commended the ruling People's National Movement (PNM) for signing onto the agreement.

Minister in the Ministry of the Attorney General and Legal Affairs Stuart Young has said that FATCA legislation will be brought to Parliament shortly after it resumes. Parliament will resume its sittings on September 9.

The American Chamber of Commerce of TT (Amcham) and the Bankers Association of TT (BATT) have also praised Government for signing the IGA with the US.

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