



Communication on June 19th 2014 – last update: July 23rd 2018

FATCA, an American law applied starting July 1st, 2014 to fight offshore tax evasion by US Taxpayers

Goal and legal framework of FATCA

The **Foreign Account Tax Compliance Act (FATCA)** is a US law which provides for an annual disclosure to the US Tax authority (IRS – Internal Revenue Service) of accounts held by US taxpayers outside the United States.

This legislative framework applies to « **US persons** », (US citizens or US residents). **FATCA requires Financial Institutions to transmit on a yearly basis to the IRS the following information regarding US persons: the identity of the account holders, the balance of their accounts, and their financial income and gross proceeds of the sale of securities.** This reporting also applies to the accounts of US legal or patrimonial entities owned by US taxpayers.

Existing US tax legislation compels US taxpayers to file their tax return irrespective of their place of residence. It should be noted that FATCA has no impact on the reduced tax rates resulting from international tax treaties for the benefit of eligible clients.

In most cases, FATCA is implemented through Intergovernmental Agreements (IGAs) signed between the USA and partner countries. These IGAs allow for and make compulsory the collection and transmission of tax and banking information by all Financial Institutions, either to their national tax authorities, which in turn have to transmit them to the IRS (in IGA Model 1 jurisdictions), or directly to the IRS (in IGA Model 2 jurisdictions). Many countries (113 as of July 2018) including the majority of European states have opted for the IGA approach; some of these agreements are still in the process of being finalized or ratified.

In countries which are not opting for an Intergovernmental Agreement, FATCA is implemented through a direct agreement between the IRS and each Financial Institution. Nonparticipating Financial Institutions are subject to penalties.

Compliance of BNP Paribas with FATCA obligations

BNP Paribas is FATCA compliant in all countries where the Group is present, in order to best support its customers.

All eligible Group entities have registered with the IRS and thus have obtained the **status of participating Financial Institution** or equivalent.



The Global Intermediary Identification Number (GIIN) allocated by the IRS to **BNP Paribas SA** is **1G159I.00000.LE.250**. The identification numbers of its eligible branches are listed in the following appendix (as of July 23^d 2018).

Consequences of FATCA for Clients

BNP Paribas contacts its **clients who are individuals** when their file contains one or several elements indicating they may be within the scope of this legislation. BNP Paribas also contacts **legal entities** when their FATCA classification needs to be clarified. This includes legal entities with a US ultimate beneficial owner, US corporations as well as non-US Foreign Financial Institutions.

During the on-boarding process, BNP Paribas collects information allowing for the identification of American residents and citizens (including persons with a dual citizenship) who have to provide their US Tax Identification Number. Patrimonial entities have to identify their American ultimate beneficial owners. In countries where the regulation requires one, BNP Paribas requests a waiver from impacted clients. This allows BNP Paribas to report information about these clients towards the IRS; in turn, these clients are not subject to the 30% withholding tax levied on US source income.

In line with the FATCA requirements, BNP Paribas provides a yearly report on its US reportable clients to the relevant tax authorities.

Our counterparties and clients which are **Financial Institutions** (banks, life insurance companies, mutual funds, etc.) may register as a participating entity with the IRS. This allows them to obtain a Global Intermediary Identification Number (GIIN) from the IRS. It allows Financial Institutions based in countries not covered by an Intergovernmental Agreement not to be subject to the FATCA withholding tax on US source income from financial products. This registration is also required for identification purposes as part of the Intergovernmental Agreements (IGA countries).

If a Financial Institution is a non-participating one from the FATCA perspective, BNP Paribas may have the obligation to levy a 30% withholding tax on US source payments made to this Financial Institution, and will have to report to the IRS the total amount of payments made during the year.

BNP Paribas may contact some counterparties to incorporate appropriate FATCA clauses in their master agreements, in order to avoid undue application of the penalties specified in the law.



Appendix - BNP PARIBAS SA Entity and its Branches eligible to FATCA: list of GIINs
(IRS portal extract as of July 23rd 2018)

COUNTRY	GIIN
France	1G159I.00000.LE.250
Argentina	1G159I.00000.BR.032
Australia	1G159I.00000.BR.036
Austria	1G159I.00000.BR.040
Bahrain	1G159I.00000.BR.048
Belgium	1G159I.00000.BR.056
Bulgaria	1G159I.00000.BR.100
Canada	1G159I.00000.BR.124
Cayman Islands	1G159I.00000.BR.136
Czech Republic	1G159I.00000.BR.203
Denmark	1G159I.00000.BR.208
Finland	1G159I.00000.BR.246
Germany	1G159I.00000.BR.276
Hong Kong	1G159I.00000.BR.344
Hungary	1G159I.00000.BR.348
India	1G159I.00000.BR.356
Ireland	1G159I.00000.BR.372
Italy	1G159I.00000.BR.380
Japan	1G159I.00000.BR.392
Jersey	1G159I.00000.BR.832
Korea, Republic of	1G159I.00000.BR.410
Kuwait	1G159I.00000.BR.414
Luxembourg	1G159I.00000.BR.442
Malaysia	1G159I.00000.BR.458
Monaco	1G159I.00000.BR.492
Netherlands	1G159I.00000.BR.528
Norway	1G159I.00000.BR.578
Panama (<i>en liquidation</i>)	1G159I.00000.BR.591
Philippines	1G159I.00000.BR.608
Poland	1G159I.00000.BR.616
Portugal	1G159I.00000.BR.620
Qatar	1G159I.00000.BR.634
Romania	1G159I.00000.BR.642
Saudi Arabia	1G159I.00000.BR.682
Singapore	1G159I.00000.BR.702



COUNTRY	GIIN
South Africa	1G159I.00000.BR.710
Spain	1G159I.00000.BR.724
Sweden	1G159I.00000.BR.752
Taiwan	1G159I.00000.BR.158
Thailand	1G159I.00000.BR.764
United Arab Emirates	1G159I.00000.BR.784
United Kingdom	1G159I.00000.BR.826
Viet Nam	1G159I.00000.BR.704



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