



MARTIN VEASEY

I offer pension scheme, asset management and corporate clients services in the following areas:

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Please contact me on 07799 370585, enquiries@veaseyassociates.co.uk or visit my website www.veaseyassociates.co.uk for my full range of research and commentary on UK pensions.

Beware of the FATCA !

17th January 2012





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The legislation covering the US Foreign Accounts Tax Compliance Act (FATCA) was drafted in 2010 with the intention of facilitating the identification of US taxpayers having accounts with foreign financial institutions and non-financial foreign entities.

Its aim is to promote anti-avoidance by having managers of these entities notify the Inland Revenue Service of the identity of American nationals who are beneficiaries and, in the absence of such notification or a null return, custodians holding US domiciled investments would be required to applying a swingeing 30% withholding levy on payments to that entity.

Logically, UK occupational pensions ought to be in a strong position to claim an exemption but, as a the end of last year, it would seem that no blanket exemption had been granted and it is expected that FATCA will come into operation in 2013 in respect of payments made from 31 December 2012.

As a consequence, schemes should be reviewing this initiative with their tax advisers and/or relevant asset managers in good time. There are obvious implications from both privacy and operational perspectives.

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