

## Corporate Communications

### What's New - BMO News

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#### Update on FATCA Foreign Account Tax Compliance Act (FATCA) requirements for non-U.S. financial institutions

**October 22, 2012**

The Foreign Account Tax Compliance Act (FATCA) is legislation that was passed by the United States government in 2010 and is intended to prevent tax evasion among U.S. persons using financial accounts held outside of the United States.

FATCA is a complex regulatory initiative, and many countries, including Canada, are looking at entering into a relatively less complex intergovernmental approach to the implementation of FATCA called an Intergovernmental Agreement (IGA).

While the terms and requirements of the IGA are still under discussion between the Canadian and U.S. governments, it is believed the IGA will:

- Support the spirit and intention of FATCA.
- Reduce, but not eliminate, the impact on Canadian banks and their customers.
- Delay some of the key implementation dates by six months.

#### **What is BMO doing in response to FATCA?**

BMO has established an enterprise-wide team to implement the necessary process, system and organizational changes that will be required once FATCA comes into effect, and has been working with the Canadian Bankers Association, applicable governmental departments and other Canadian banks to help shape and understand the IGA.

#### **When will FATCA come into effect?**

FATCA legislation passed by the United States government in 2010 requires that the regulations come into effect on July 1, 2013. This remains the official date. However, assuming Canada enters into an IGA with the U.S., the implementation date will be January 1, 2014. Canadian tax legislation will require all Canadian financial institutions to comply with the IGA.

For more detailed information on FATCA, please visit:

- The FATCA section of the Tax Intranet Site.
- The Canadian Bankers Association website in Canada
- The IRS website in the U.S.

*Note: Customers should be directed to seek the advice of their tax advisor to better understand how FATCA impacts them or their business.*