

VIDEO

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Focus on Funds: Looming FATCA Deadline Spurs New Concern

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The February 28, 2014, issue of *Focus on Funds* explains the growing alarm among Asia-Pacific funds and investors about the lack of signed intergovernmental agreements (IGAs) in the region.

Transcript

Stephanie Ortballs-Tibbs, Director, ICI Media Relations: Welcome to *Focus on Funds*, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

FATCA, the Foreign Account Tax Compliance Act, that carries major implications for global funds and their investors, goes into effect worldwide in just a few months. And the looming July deadline is leading to a growing sense of urgency for many funds in the Asia-Pacific [APAC] region.

APAC funds and investors remain uncertain as to whether their governments will soon strike an intergovernmental agreement [IGA] with the United States that streamlines reporting requirements, or if funds should prepare to comply with FATCA's lengthy and exacting guidelines directly through the U.S. Internal Revenue Service [IRS].

Ryan Lovin, ICI/ICI Global Associate Counsel, Tax Law: Becoming FATCA compliant requires substantial time and resources. What's difficult right now for many APAC funds is not knowing whether they will be covered by an IGA through their home country or whether they need to sign a FATCA agreement directly with the IRS. A fund cannot know which steps it must take to become FATCA compliant until it knows whether its country is going to sign an IGA or not.

Stephanie Ortballs-Tibbs: Because of this uncertainty, ICI and ICI Global are recommending to members that, if they are located in a country without a signed IGA, they need to prepare to comply with FATCA, and should be expressing concern to their government.

Ryan Lovin: While funds should prepare, it would be best if more countries in the APAC region could quickly finalize their agreements with the United States and remove this uncertainty. Widespread, uniform adoption of IGAs is crucial to smoother and more cost-effective FATCA implementation. Funds and their investors should encourage their home governments to complete IGAs and provide this certainty as soon as possible.

Stephanie Ortals-Tibbs: ICI and ICI Global are following this issue closely and will continue to provide updates on significant developments.

That's this week in funds. See you next week.

Additional Resources

- [ICI Viewpoints: A Growing Urgency: FATCA Agreements in the Asia-Pacific Region](#)
- [Foreign Account Tax Compliance Act \(FATCA\) Resource Center](#)
- [ICI Viewpoints: Creating a Globally Workable Compliance Framework for Financial Account Tax Information](#)

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