INTERACTIVE DATA FATCA SERVICE

A particular challenge for the financial industry’s compliance with the U.S. Foreign Account Tax Compliance Act (FATCA) is the exemption from withholding on payments related to “grandfathered obligations” that are outstanding on July 1, 2014. Further compounding this challenge is the fact that the determination of grandfathered status is not static, and significant changes or “material modifications” to a grandfathered instrument will cause that instrument to lose its grandfathered status under Internal Revenue Service regulations.

INTERACTIVE DATA FATCA SERVICE

Interactive Data has worked closely with a broad spectrum of market participants to understand the implications of FATCA and develop a comprehensive approach to identifying instruments that fall under the scope of FATCA.

The Interactive Data FATCA service will provide foreign financial institutions and withholding agents with instrument level detail to help determine withholding obligations. The service will flag the FATCA status of instruments as: liable, grandfathered or exempt. Information will be provided to identify instruments that lose grandfathered status, together with the date of the change in status.

In Depth Coverage and Instrument Analysis

Market participants will benefit from Interactive Data’s depth of reference data instrument coverage and our ability to analyze corporate action events that could impact those instruments.

FOR MORE INFORMATION:

The Interactive Data FATCA offering is part of a range of tax-related data services covering Financial Transaction Tax (FTT), EUSD and U.S. NRA withholding data. Contact your Interactive Data account manager or send an email to info@interactivedata.com to discuss how your firm can benefit from Interactive Data’s FATCA service and our complete suite of reference data solutions.
INTERACTIVE DATA REFERENCE DATA SERVICES

FATCA

FLEXIBLE DELIVERY

Interactive Data’s FATCA service is available via several Interactive Data content delivery platforms.

TRUSTED PROVIDER

As you continue to operate in an increasingly complex and burdensome regulatory environment, look to Interactive Data for thought leadership, content and services in support of your regulatory compliance obligations, including our industry leading corporate actions and business entity services.

MORE ABOUT FATCA

The Foreign Account Tax Compliance Act (FATCA), which was enacted as part of the Hiring Incentives to Restore Employment (HIRE) Act on March 18, 2010, increases the ability of the Internal Revenue Service (IRS) to police tax evasion by U.S. persons holding financial assets outside of the United States.

FATCA levies a 30% withholding tax obligation on certain payments, unless Withholding Agents and Foreign Financial Institutions (FFIs) enter into an agreement with the IRS to obtain and report information on their U.S. account holders.

On 12 July 2013, the US tax authorities issued Notice 2013-43 [http://www.irs.gov/pub/irs-drop/n-13-43.pdf] delaying the withholding requirement until 1 July 2014, revising the definition of grandfathered obligations to include obligations outstanding on 1 July 2014, and delaying the implementation of new account opening procedures to the later of 1 July 2014 or the effective date of the FFI’s agreement with the IRS.

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