COMMUNIQUÉ

MBA
MAURITIUS BANKERS
ASSOCIATION LIMITED

Compliance by Mauritian banks to the
US Foreign Account Tax Compliance Act (FATCA)

To facilitate adherence by Mauritian banks and other financial institutions to the US Foreign Account Tax Compliance Act (FATCA), enacted in the US in 2010, the Governments of the Republic of Mauritius and the United States of America signed a Model 1, Reciprocal, Inter-Governmental Agreement (IGA) on 27 December 2013. The conclusion of the Model 1 IGA enables the implementation of FATCA in Mauritius without the need for major amendments to the existing laws and also minimizes the compliance burden of Mauritian banks and other financial institutions.

Under the IGA, Mauritian banks and other financial institutions will be required to report to the Mauritius Revenue Authority (MRA) relevant account details relating to US Persons, which include individuals, companies and any other body of persons, for onward transmission to the US Internal Revenue Service (IRS).

The US Persons falling under the purview of FATCA include individuals who hold more than USD 50,000 in their bank accounts as well as those entities which are organized in the United States or controlled by US Persons with account balances in excess of USD 250,000.

In this context and as from 1 July 2014, both new and existing bank customers may be asked to provide additional documentation and/or information to their banks in Mauritius or be required to fill in additional forms so as to assist banks in determining whether they should be categorized as a US Person, and therefore be subject to FATCA reporting requirements, as from 2015.

Bank customers may seek additional information on FATCA from their banks, or visit the MBA Website: http://www.mba.mu/pdf/MBA_website_FATCA.pdf and the US IRS Website: http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA.

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