STATUTORY INSTRUMENTS

2015 No. 1839

TAXES

The International Tax Compliance (Amendment) Regulations 2015

Made - - - -	*29th October 2015*
Laid before the House of Commons	*30th October 2015*
Coming into force - -	*20th November 2015*

The Treasury make these Regulations, in exercise of the powers conferred by section 222(1), (2) and (3) of the Finance Act 2013(**a**):

Citation and commencement

1. These Regulations may be cited as the International Tax Compliance (Amendment) Regulations 2015 and come into force on 20th November 2015.

Amendment to the International Tax Compliance Regulations 2015

2.—(1) The International Tax Compliance Regulations 2015(**b**) are amended as follows.

(2) After regulation 1(5) insert—

"(5A) For the purposes of these Regulations, "financial institution" and "investment entity" have the same meaning in relation to the FATCA agreement as they do in the US Treasury Regulations."

(3) For regulation 2(2)(c) substitute—

"(c) in relation to a reporting financial institution—

(i) for the purposes of the DAC or the CRS, a dormant account (other than an annuity contract) with a balance that does not exceed US$1,000, or

(ii) an account within paragraph (1)(b) or (c),

is not a reportable account for a calendar year if there is an election by the institution which has effect for that year to treat all such accounts, or a clearly identified group of such accounts, as not being reportable accounts."

(4) After regulation 2(8) insert—

"(9) An account is a dormant account if—

(a) the account holder has not initiated a transaction with regard to the account or any other account held by the account holder with the reporting financial institution in the previous three years,

(**a**) 2013 c. 29.
(**b**) S.I. 2015/878.

(b) the account holder has not communicated with the reporting financial institution regarding the account or any other account held by the account holder with the reporting financial institution in the previous six years,

(c) the account is treated as a dormant account under the reporting financial institution's normal operating procedures, and

(d) in the case of a cash value insurance contract, the reporting financial institution has not communicated with the account holder regarding the account or any other account held by the account holder with the reporting financial institution in the previous six years."

(5) In the table in regulation 24(2)—

(a) for the entry for "financial institution" substitute—

"financial institution	regulation 1(5A)	Section VIII(A)(3) of Annex I	Section VIII(A)(3) of the CRS"	

(b) insert at the appropriate place—

"investment entity	regulation 1(5A)	Section VIII(A)(6) of Annex I	Section VIII(A)(6) of the CRS"	

and,

(c) for the entry for "reportable person" substitute—

"reportable person		Section VIII(D)(2) of Annex I	Section VIII(D)(2) of the CRS"	

(6) At the appropriate place in Schedule 1 insert "Ghana".

(7) In Schedule 2 omit paragraphs 14 and 15.

George Hollingbery
Mel Stride

29th October 2105 — Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the International Tax Compliance Regulations 2015 which give effect to agreements and arrangements reached between the Government of the United Kingdom and other jurisdictions to improve international tax compliance.

The Regulations provide that the definitions for "financial institution" and "investment entity" for Foreign Account Tax Compliance Act (FATCA) purposes are drawn from the relevant US legislation. The Regulations also remove venture capital trusts and dormant accounts from the list of accounts that are not reportable, although financial institutions can elect to treat the latter as non-reportable accounts.

The Regulations add Ghana as a participating jurisdiction in relation to the Common Reporting Standard (CRS).

A Tax Information and Impact Note covering the International Tax Compliance Regulations 2015 was published on 18th March 2015 and is available on the HMRC website at http://www.hmrc.gov.uk/thelibrary/tiins.htm. It remains an accurate summary of the impacts that apply to this amending instrument.

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