

FATCA

Frequently Asked Questions



FATCA overview

1. What is FATCA?
2. What date does HSBC become FATCA compliant?
3. Is FATCA only applicable to HSBC?
4. What is FATCA meant to do?
5. Will any countries be exempt from FATCA?
6. Under FATCA, what is an Inter-governmental agreement (IGA)?
7. How do I know if I am affected?
8. Am I only affected if I am a US Company?
9. What do I need to do as a Business customer?
10. Does FATCA replace existing tax rules I already follow?
11. Does FATCA apply to new accounts or just existing customers?
12. Where can I find information about FATCA?
13. When do I need to provide HSBC with the documents HSBC has asked for?
14. Who will HSBC share my information with?
15. What will happen if I do not return the documents I have been asked for under FATCA?
16. What information will HSBC report to HMRC?
17. Can HSBC help me if I have a tax related questions?



1. What is FATCA?

FATCA - The Foreign Account Tax Compliance Act - is legislation introduced by the United States (US) Department of the Treasury and Internal Revenue Service (IRS).

2. What date does HSBC become FATCA compliant?

HSBC is committed to becoming fully FATCA compliant in all countries where we operate from 30 June 2014.

3. Is FATCA only applicable to HSBC?

FATCA is US legislation aimed at all financial institutions and other financial intermediaries globally, which fall within its scope.

4. What is FATCA meant to do?

FATCA seeks to prevent US persons from using non-US accounts and non-US businesses to avoid US taxation on their income and assets.

5. Will any countries be exempt from FATCA?

HSBC Group, including first direct and M&S Bank is committed to being fully compliant with FATCA across all its global offices.

6. Under FATCA, what is an Inter-governmental agreement (IGA)?

The UK signed an Inter-Government Agreement (IGA) in September 2012. This is a UK-US agreement to implement FATCA within UK regulations and guidance notes, provided in the UK by HM Revenue and Customs.

This means that HSBC will share information about the accounts and finances of persons deemed as US persons for the purposes of FATCA with the IRS, via HM Revenue and Customs.

7. How do I know if I am affected?

FATCA legislation will affect both personal and business customers with links to the US. It will also affect certain types of businesses with US owners. HSBC will be communicating with the affected customers and provide full details of the information/documentation we need for FATCA purposes.

8. Am I only affected if I am a US Company?

No. The impacts of FATCA are wider than just US companies. HSBC will be reaching out to many business customers to determine their status under FATCA.

9. What do I need to do as a Business customer?

In order to establish your business' tax status under FATCA, we may need you to provide additional information/documentation. We will be communicating this with affected customers.

10. Does FATCA replace existing tax rules I already follow?

FATCA does not replace the existing US tax regimes; it may however add additional requirements and complexity to the existing tax rules you may already follow. Should you need further advice on your business' tax status or FATCA classification, you should contact a professional tax adviser.

11. Does FATCA apply to new accounts or just existing customers?

FATCA applies both new and existing HSBC Group Customers, regardless of the type of account and/or policy held.

12. Where can I find information about FATCA?

You can find information about FATCA on the IRS website (www.irs.gov/FATCA) or visit www.fatca.hsbc.com.

13. When do I need to provide HSBC with the documents HSBC has asked for?

This will vary according to your classification or the type of account/policy you own. Please refer to the letter we've sent you, which will confirm when you need to provide us with the documents we've asked for.

14. Who will HSBC share my information with?

The UK has signed an Inter-Government Agreement (IGA) meaning that HSBC must share information with HM Revenue and Customs. HM Revenue and Customs will submit your information to the IRS.

15. What will happen if I do not return the documents I have been asked for under FATCA?

If you do not supply properly completed forms, we may be prevented from providing new accounts, products or services and it could result in us closing existing accounts.

In addition, amounts paid into your existing accounts may be subject to a 30% withholding tax and information relating to these accounts may be reported to HMRC.

16. What information will HSBC report to HMRC?

The information reported to HMRC will depend on your FATCA classification. This information will typically be of a personal nature in relation to the substantial or controlling US owners of a business (eg name, address, US taxpayer identification number). We will be communicating with the affected customers in detail on these requirements.

17. Can HSBC help me if I have a tax related questions?

Please note that HSBC is unable to offer tax advice. For tax-related questions please contact your professional tax adviser or refer to www.irs.gov/FATCA