

Note to U.S. Citizens in Iceland about the Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) does not change the U.S. tax obligations of U.S. citizens, residents, or persons. U.S. citizens, U.S. individual residents, and a very limited number of nonresident individuals who own certain foreign financial accounts or other offshore assets must still report those assets to U.S. tax authorities. Individual taxpayers should refer to the IRS FATCA webpage, <http://www.irs.gov/Businesses/Corporations/FATCA-Information-for-Individuals>, which provides a reference to determine whether an individual taxpayer needs to file additional information on foreign financial assets (<http://www.irs.gov/Businesses/Corporations/Do-I-need-to-file-Form-8938-Statement-of-Specified-Foreign-Financial-Assets>).

As of November 30, 2014, the United States reached an agreement in substance on the terms of an intergovernmental agreement (IGA) with Iceland to implement FATCA compliance by financial institutions in Iceland. Therefore, the Treasury Department has agreed to treat Iceland as having a FATCA IGA in effect for FATCA reporting purposes. The IGA applies only to the reporting of taxpayer information by foreign financial institutions and does not change the tax obligations of individual U.S. taxpayers. Financial institutions in Iceland should seek instruction from the Ministry of Finance regarding FATCA implementation.