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United States, Netherlands Sign Agreement to Improve Tax Compliance

U.S. Embassy Chargé d’Affaires Adam Sterling and the Netherlands State Secretary for Finance Frans Weekers signed an intergovernmental agreement to implement the Foreign Accounts Tax Compliance Act (FATCA) on Wednesday, December 18, 2013 at the Ministry of Finance in The Hague.

The agreement establishes a common approach to combatting tax evasion through an automatic exchange of data between the tax authorities of both countries. Starting September 2015, the Dutch Tax and Customs Administration will automatically share data on certain financial accounts held by U.S. taxpayers in the Netherlands with the U.S. Internal Revenue Service (IRS), and receive data on certain financial accounts held by Dutch tax payers in the United States.

“The United States and the Netherlands are determined to work together to detect, deter, and discourage international tax evasion,” said Chargé d’Affaires Sterling at the signing ceremony. “With increased transparency and enhanced reporting we can help to build a stronger, more stable, and more accountable global financial system.”

As a result of the agreement, Dutch financial institutions will not need to sign separate pacts with U.S. tax authorities to comply with FATCA. Data will instead be shared directly via information exchange between the Dutch and U.S. tax authorities.

“The agreement underscores the resoluteness of the Netherlands and the United States to tackle international tax evasion. In addition, agreements have been made about exemptions and efficient procedures. This will be good for stability and a level playing field for our Dutch financial sector in the world,” said State Secretary Weekers.

FATCA is a U.S. law that targets non-compliance by U.S. taxpayers using foreign accounts. FATCA requires financial institutions all over the world to report to the IRS, the U.S. tax authority, information about financial accounts held by U.S. taxpayers, or by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

More information on FATCA can be found on the U.S. Treasury website:
<http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA.aspx>.

For a high resolution photo visit:

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