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United States and Singapore Sign Agreement to Share Tax Information

Singapore, December 9, 2014: U.S. Ambassador to Singapore Kirk Wagar and Singapore Deputy Secretary for Finance Ng Wai Choong signed an intergovernmental agreement to implement the Foreign Account Tax Compliance Act (FATCA) today. This agreement underscores growing international cooperation to end tax evasion everywhere.

Ambassador Wagar, who signed on behalf of the United States, stated, “The signing of this agreement is an important step forward in the collaboration between the United States and Singapore to combat tax evasion. When taxpayers overseas avoid paying what they owe, other taxpayers have to bear a disproportionate share of the tax burden. This FATCA intergovernmental agreement is an important part of the U.S. government’s effort to address that issue.”

FATCA is rapidly becoming the global standard in the effort to curtail offshore tax evasion. The United States enacted FATCA in 2010 to combat offshore tax evasion by encouraging transparency and obtaining information on accounts held by U.S. taxpayers in other countries. FATCA calls for foreign financial institutions to report annually to the U.S. Internal Revenue Service (IRS) information about accounts held by U.S. persons or certain foreign entities having substantial U.S. owners, or else be subject to a 30 percent withholding tax on certain U.S. source payments, such as interest.

To date, more than 110 jurisdictions are treated as having a FATCA agreement in effect with the United States. The FATCA intergovernmental agreement between the United States and Singapore provides that financial institutions in Singapore will report information about U.S. accounts to the Singapore government, which will in turn relay that information to the IRS.