PRUDENTIAL

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) is a US law aimed at reducing tax evasion by US citizens using foreign accounts. It requires foreign financial institutions (FFIs), to tell the U.S. Internal Revenue Service (IRS) about US account holders' offshore accounts.

The UK and Ireland have each entered into agreements with the US to implement FATCA. Alongside this, the UK has also entered into agreements for exchange of information with its Crown Dependencies and Overseas Territories which operate in a similar way to US FATCA. The term "FATCA" may commonly be used to refer to all of these agreements, although strictly it refers to the US part only.

From 1st July 2014, Pru UK will be required to report information to HMRC, and Prudential International will report to the Irish Revenue Commissioners about certain reportable accounts held by US citizens and entities within their institutions.

From 1st July 2014, Pru UK will also be required to report information to HMRC about reportable accounts held by residents of Jersey, Guernsey, Isle of Man and Gibraltar.

Within Pru UK and Prudential International, FATCA commencement date is 19th May.

The application forms (listed below) have been revised to include a new tax residency question with effect from 19th May 2014. This allows advisers time to become familiar with the revised literature.

Prudential UK and Prudential International have created separate tax residency self certification declaration forms for completion if a client answers 'YES' to the tax residency question on any of the affected application forms below.

If the applicant answers 'NO', the application form should be completed as normal.

Any new business applications still being processed post 1st July 2014, will require the tax residency question to be answered. If you, as an adviser, feel the case will not be completed before 1st July, you should supply Prudential UK / Prudential International with the necessary tax residency information to avoid un-necessary delays.

Paper Application forms affected:

Pru UK

Prudence Inheritance Bond Y846
Prudential Investment Plan PIPF10000
Prufund Investment Plan INVM11622

Prudential International

International Prudence Bond (Spain) DPBF10058
International Prudence Bond (France) IPBF10163
International Prudence Bond (Non-UK) IPBF10130
Portfolio Account (Non-UK) DPBF10000
Prudential International Investment Bond INVF10248
Davy QROPS - International Prudence Bond INVF11678
Prudential International Investment Portfolio INVF11521

CVI forms

Both the non-individual and individual CVI forms (below) have been updated.

CVI (non individual) GENM10278
CVI (individual) GENM6637

Below is what we have added to our relevant application forms.

Tax residency question on affected UK apps

Are you tax resident in, or do you complete tax returns in, any country other than the UK?
Yes/No

If Yes, please also complete the tax residency self certification declaration form INVF11781.

Tax residency question on affected Prudential International apps

Are you resident for tax purposes in the United States? Yes / No

If Yes, please also complete the tax residency self certification declaration form – INVF11804 and submit with this application.

Online submissions

Advisers must answer the tax residency question to continue with the online application. If they answer "yes", they will also need to enter details of the countries where the applicant is tax resident. At the end of the submission, the FATCA self declaration form will be provided for completion.

Further information

If you have a question about FATCA, please call our Adviser Service Centre on 0808 234 0808 / 0808 234 2200.

Alternatively, you may wish to speak with your usual Prudential contact.

Further information can be found at:

- HM Revenue & Customs -International agreements
- Revenue - Irish Tax & Customs