



CYPRUS – USA FATCA INTERGOVERNMENTAL AGREEMENT

On 2 December 2014 the Cyprus Minister of Finance signed with the US ambassador the FATCA Intergovernmental Model 1 Agreement (IGA) between Cyprus and the USA.

The IGA requires Cyprus Financial Institutions to report information to the Cyprus governmental authorities in relation to financial accounts held by US persons.

The IGA then provides for the automatic reporting and exchange of information to the U.S. Internal Revenue Service and the reciprocal exchange of information regarding financial accounts held by Cyprus residents in US Financial Institutions.

Furthermore, the IGA defines which entities are obliged to comply and which entities are exempt or carry reduced obligations to comply with FATCA rules.

The Cyprus Inland Revenue Department has issued Guidance Notes directing Cyprus Financial Institutions to meet their FATCA compliance obligations.