

As of 1st July 2014 the new US tax legislation known as FATCA - Foreign Account Tax Compliance Act – is in force. The FATCA legislation is intended to tackle tax evasion namely foreign revenues and profits generated by **US citizens*** and it has been recognized by the government of Italy on 10th January 2014 by signing the intergovernmental bilateral agreement known as IGA model 1, then ratified by Law No. 95/2015 and enacted by D.M. of 28th December 2015.

The intergovernmental approach is informed to the principle of reciprocity and allows the **automatic exchange of information to and from the United States**. As per the said agreement, financial intermediaries operating in Italy are required to report to the American tax authorities (IRS - Internal Revenues Service), through the national Tax Authority (Agenzia delle Entrate), the personal and financial data pertaining to the customers for whom there the **proof of evidence, or even just the suspicion, that they are citizens of the United States**.

On the other hand, in case of non-compliance with the FATCA provisions, recalcitrant clients and non-participating institutions shall be applied, in case of certain types of payments having their origin in the United States, a 30 % withholding tax. As for individual customers presenting *indicia*, in case the Bank is unable to obtain a valid self-certification/document attesting the status of *Non US Person* declared, the account shall be reported to the competent US authorities.

Banca UBAE SpA has registered with the US tax authorities as **Reporting Model 1 FFI** and has acquired the following **GIIN (Global Intermediary Identification Number): EH5XW2.00010.ME.380**

Please note that for FATCA purposes, Banca UBAE SpA is member of the Expanded Affiliate Group (EAG) led by the major shareholder Libyan Foreign Bank (67.55%).

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NEWS TO CUSTOMERS

Italian Financial Institutions are required to:

- Correctly identify customers, both individuals and legal entities, that open relationships relevant to FATCA purposes, by means of adapting procedures and **customer certification processes in order to identify those having U.S. citizenship**;
- Exercise specific due diligence activities with reference to new customers who are recorded, in addition to current anti-money laundering and due diligence laws, also on the basis of further **certification of US citizenship and residence for tax purposes (FATCA/CRS due diligence questionnaire)**;
- Apply **enhanced due diligence** controls to clients having assets equal to or higher than \$ 1,000,000.00 (**High Value Account**);
- Clients, in order to be correctly identified, may be contacted by the Bank so that they can confirm or disprove the **indicia** detected (specific set of information stored in the Bank's database) and state their citizenship.

*In general, for FATCA purposes US taxpayers are (*indicia*): US citizens; persons possessing a permanent residence permit (i.e. Green Card) or those who have resided in the USA for a period of time deemed sufficient to be declared US taxpayer; entities established in the US.