

FATCA Newsletter

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Keypoint conduct FATCA Training for Libyan Foreign Bank and its affiliates

Beirut, Lebanon - Keypoint have conducted a multilingual intensive training seminar on FATCA's regulations, policies and procedures for Libyan Foreign Bank's (LFB) Affiliates. The training conducted on the 28th and 29th November 2014, highlighted the key FATCA policies and procedures and presented a detailed insight into **Customer Onboarding and Review of Existing Clients of the Bank, Reporting and Withholding** according to IRS regulations.

The seminar conducted by Keypoint's experienced FATCA training team was presented and conducted in French to cater for those affiliates operating in predominantly French speaking regions of LFB's African operations. This has ensured that a clear and concise understanding was gained by the operatives of those affiliates of the various FATCA guidelines, policies and procedures of the registration process as outlined by the IRS.

The feedback received from 30 representatives of LFB's affiliates operating in GCC, North Africa/Africa, Europe, Asia, was highly constructive.

Other key areas focused on during the seminar was the bespoke **Keypoint eLearning Portal** created by Keypoint to cater for the specific training needs and access to training material for LFB and its affiliates.



WASHINGTON –The Internal Revenue Service (IRS) has issued as of the 3rd of December an update to the **2014 Form 1042** instructions for **Escrow, Set-Off and Reimbursement Procedures**

Escrow Procedure

A withholding agent that withheld tax during calendar year 2014 and that was not required to deposit with the IRS the amount of tax withheld during calendar year 2014 pursuant to the escrow procedure under §1.1471-2(a)(5)(ii) or 1.1441-3(d) should not report such amount as a liability on lines 1 through 60 or lines 64a through 64d and should not report such amount as withheld on lines 63a through 63d.

Set-off Procedure

The last paragraph of the description of the set-off procedure on page 6 should include the following:



“The amounts reported on lines 63a and 63b should reflect a reduction of any amount withheld from income paid to a beneficial owner because you applied the set-off procedure during the calendar year or the subsequent calendar year. The reductions that you applied pursuant to the set-off procedure during the calendar year must be reflected on the line for the period you reduced your liability. The amount reported on line 59 for the calendar year for which you over-withheld tax must reflect reductions that you applied pursuant to the set-off procedure during the subsequent calendar year, if applicable. On line 71, indicate that you are claiming a credit to be applied to the 2015 calendar year for amounts you set-off in the subsequent calendar year (note, you may not claim a refund for such an amount).”

Reimbursement Procedure

The description of the reimbursement procedure on page 6 is updated as follows: “Under the reimbursement procedure, you repay the beneficial owner or payee the amount over-withheld. You use your own funds for this repayment and may reimburse yourself for an amount repaid by reducing the amount of any subsequent deposit of tax made during the calendar year or the subsequent calendar year.

<http://www.irs.gov/Businesses/Corporations/Update-to-2014-Form-1042-Instructions>

Jurisdictions that have reached agreements in substance as of November 30, 2014 and have consented to being included on this list (beginning on the date indicated in the parenthesis)

Model 1 IGA

- Angola (30-11-2014)
- Cambodia (30-11-2014)
- Greece (30-11-2014)
- Holy See (30-11-2014)
- Iceland (30-11-2014)
- Kazakhstan (30-11-2014)
- Montserrat (30-11-2014)
- Philippines (30-11-2014)
- Trinidad and Tobago (30-11-2014)
- Tunisia (30-11-2014)

Model 2 IGA

- Macao (30-11-2014)

<http://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>

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