

## Luxembourg Tax Department

The Tax department is a dedicated team of highly skilled tax professionals providing comprehensive consultancy and compliance services.

Our solid knowledge of local and international regulations, combined with our wide experience, allow us to serve our clients in a tailored, responsive and value-added manner.

**If you need further information, please refer to your usual Deloitte contact person or contact:**

Raymond Krawczykowski  
Partner | Tax Leader  
+352 451 452 500  
[rkrwaczkowski@deloitte.lu](mailto:rkrwaczkowski@deloitte.lu)

Pascal Noël  
Partner | Cross-Border Tax  
+352 451 452 571  
[pnoel@deloitte.lu](mailto:pnoel@deloitte.lu)

Pascal Eber  
Partner | Strategy and Operations  
+352 451 452 649  
[peber@deloitte.lu](mailto:peber@deloitte.lu)

If you no longer wish to receive this newsletter, please let us know by e-mail to [lutaxalert@deloitte.lu](mailto:lutaxalert@deloitte.lu)

# Luxembourg Tax Alert

4 April 2014



## FATCA

Luxembourg and the United States have signed on 28 March 2014 a **Model I FATCA intergovernmental Agreement** (IGA) and a **Memorandum of Understanding** (MOU) to improve international tax compliance between both jurisdictions.

### Luxembourg intergovernmental agreement

This agreement will be followed by a procedure of Parliament approval in Luxembourg before being transposed into local legislation.

Based on the article 3 of the IGA (Time and Manner of Exchange of Information), the information shall be exchanged by Luxembourg within nine months after the end of the calendar year to which the information relates (i.e. by 30 September 2015 for the first reporting).

The IGA includes also a most favour nation clause (article 7, Consistency in the application of FATCA to partner jurisdiction). This clause permits to benefit automatically of any more favourable terms under Article 4 (application of FATCA to Luxembourg Financial Institutions) or annex 1 of this agreement relating to Luxembourg financial institutions afforded to another partner jurisdiction.

The annex 2 of the Luxembourg IGA foresees a list of deemed-compliant statuses for entities that would be considered as non-reporting for FATCA purposes:

Small or limited scope financial institutions that qualify as deemed-compliant FFIs

- Financial institution with a local client base
- Local bank
- Financial institution with only low-value accounts
- Qualified credit card issuer
- Banks issuing covered bonds

Investment entities that qualify as deemed-compliant FFIs and other special rules

- Sponsored investment entities and controlled foreign corporation
- Sponsored, Closely Held Investment Vehicle
- Luxembourg investment advisors and investment managers
- Collective Investment Vehicle

In addition, annex 2 also includes special rules applicable to investment entities covered by the IGA but also to investment entities categories defined in the US Regulations (i.e. restricted funds). Those special rules also cover the situation of Luxembourg investment funds having issued bearer shares or certificates and the conditions under which such investment funds may benefit from a non-reporting or deemed compliant status.

### **Luxembourg MOU**

Luxembourg and the United States have also signed a Memorandum of Understanding on FATCA which mainly covers:

- The fact that all Luxembourg FI will be considered as deemed compliant with FATCA and Luxembourg will be considered as a FATCA partner jurisdiction even if the ratification of the law implementing FATCA is delayed until 30 September 2015
- The fact that all Luxembourg Reporting FI shall register on the IRS portal to obtain an identification number (GIIN).

If you have any queries regarding the above, please do not hesitate to contact us.

---

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

Deloitte Tax & Consulting  
Société à responsabilité limitée  
560, rue de Neudorf  
L-2220 Luxembourg

© 2014 Deloitte Tax & Consulting

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/luxembourg/about](http://www.deloitte.com/luxembourg/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

 [Deloitte RSS feeds](#)  
[Subscribe](#) / [Unsubscribe](#)