Luxembourg Tax Authorities issue notices on missing 2014 FATCA reports

Closing the distance

Global Financial Services Industry

Luxembourg Tax Alert: Late FATCA reporting? Avoid a potential fine!

The Luxembourg Tax Authorities recently issued a number of notices to Financial Institutions related to their obligations for 2014 FATCA reporting.

Many of the letters issued have a 16th March deadline by which to respond. Given that there is a lead time in registering with the Luxembourg filing gateway, we would recommend that financial institutions address this as soon as possible.

What are the potential penalties?

According to the Luxembourg Law dated 24 July 2015, where reasonable due diligence obligations are not met, or where exchange of information mechanisms are not sufficiently implemented, a Reporting Model 1 Financial Institution could incur an administrative fine of a maximum of EUR 250,000.

If reporting obligations are not met, or in the case of late, incomplete or incorrect information, a reporting financial institution could be exposed to an administrative sanction of 0.5% of the total amount that should have been communicated, with a minimum of EUR 1,500.
How Deloitte can help

Deloitte can assist in the preparation of FATCA reporting and filings with the Administration des Contributions Directes (ACD). Our existing FATCA reporting infrastructure allows us to complete filings within a short timeframe. We have successfully completed year 1 filings for numerous clients and may be able to provide additional assistance when necessary.

Please note that a nil return is still required to be filed, even when a Financial Institution does not have reportable accounts.

For more information please click here or please contact:

Denise Hintzke  
Director, Global FATCA  
Tax Leader  
Deloitte Tax LLP  
+1 212 436 4792

Anne Mericle  
Senior Manager, Global FATCA  
PMO  
Deloitte Tax LLP  
+1 212 436 3908

Susan Segar  
Director, Global Information Reporting  
Deloitte Tax LLP  
+1 703 885 6328

Susan Schultz  
Director, FATCA Global Delivery Center (GDC) Operations Leader  
Deloitte Tax LLP  
+1 612 397 4604

Matthew Cahill  
Partner, Global Information Reporting  
Deloitte Tax LLP  
+1 212 436 3420

David C Wright  
FATCA Tax Leader, UK  
Deloitte United Kingdom  
+44 20 7303 4641

Pascal Eber  
FATCA Tax Leader, Luxembourg  
Deloitte Tax & Consulting  
+352 45145 2649

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