

Frequently asked questions

FATCA overview

1 What is FATCA?

FATCA stands for Foreign Account Tax Compliance Act and is a law designed to tackle perceived tax evasion using offshore accounts. Originally this was a US initiative, but now there are FATCA agreements in place between the UK and the US, the Crown Dependencies (Isle of Man, Guernsey and Jersey), as well as the Overseas Territories (Gibraltar).

This means that Banks and other Financial Organisations must collect information about the tax residency (and citizenship) of their account holders. In some cases they will need to report this to HM Revenue & Customs ('HMRC'), who will in turn forward it to the appropriate tax authorities.

2 What does this mean in practice?

Every year, Banks such as Santander and other Financial Organisations will be required to report information to HMRC on financial accounts held directly or indirectly by US Persons and tax residents of the Crown Dependencies and Gibraltar.

The questions we ask all customers when they open an account have changed so we can identify and report the right people.

3 How do I know if I am affected?

US persons

FATCA will affect both personal and business customers who are treated as a 'US Person' for US tax purposes. FATCA will also affect certain types of businesses with US owners.

The term US person includes the following (but is not limited to):

- A citizen of the US, including an individual born in the US but resident in another country (who has not given up their US citizenship)
- A person residing in the US, including US green card holders
- Certain persons who spend a significant number of days in the US each year
- US Corporations, US Partnerships, US estates and US trusts

For more information, please visit the IRS website or contact your tax advisor.

Residents of Guernsey, Jersey, Isle of Man & Gibraltar

FATCA also requires UK Banks to identify customers who are tax resident in the Crown Dependencies or Gibraltar.

We will determine this based on information provided when opening an account with Santander such as address, country of residence, place incorporation etc.

For more information, please visit the HMRC website or contact your tax advisor.

UK persons

If you're opening an account with our Isle of Man or Jersey branch, we are required to identify customers who are tax resident in the UK.

For more information, please visit the IRS website or contact your tax advisor.

4 When does FATCA start?

The new law comes into effect from 1 July 2014; however Banks can start to make changes ahead of this date.

5 Are all Banks impacted by FATCA?

Yes. All Banks and Financial Organisations will be affected by FATCA, although their approach to implementing the new law may differ.

6 Is FATCA applicable to personal or business customers?

FATCA legislation will affect both personal and business customers who hold an account with Santander.

Personal Customers

7 What does FATCA mean for me if I am a US Person?

If you are considered a US Person, we may ask you to supply us with additional information or documentation.

We will need to report information about you and your account on an annual basis to HMRC (or the Jersey/Isle of Man tax authorities if your account was opened there). The local tax authority will then share this information with the IRS.

We will be writing to affected customers in due course, however Santander cannot offer any advice relating to FATCA and we recommend you speak to your tax advisor if you need to discuss your tax position.

8 What does FATCA mean for me if I am a tax resident of Guernsey, Jersey, the Isle of Man or Gibraltar?

If you are considered a tax resident of one of the above, we may ask you to supply us with additional information/ documentation.

We will need to report information about you and your account on an annual basis to HMRC, who will then share this information with the relevant tax authority.

Frequently asked questions

Similarly, for accounts opened by our Isle of Man and Jersey branches, we will be required to identify and report UK tax resident customers via the local tax authority.

We will be writing to affected customers in due course, however Santander cannot offer any advice relating to FATCA and we recommend you speak to your tax advisor if you need to discuss your tax position.

9 What does FATCA mean for me if I am not a US Person or tax resident of Guernsey, Jersey, the Isle of Man or Gibraltar?

For most customers, FATCA will have minimal impact and there will be no action required. However we may still need to contact you to confirm your status if we have reason to believe you are a reportable person for FATCA purposes.

10 What if my circumstances change?

FATCA reporting is an ongoing requirement. If your account information changes, we may have to contact you to get additional information so that we can update your account classification under FATCA.

11 What information will Santander have to report?

This information will be of a personal nature (for example, Name, Address, US Taxpayer Identification Number), and of a financial nature (e.g. Account number, Account balance/value). We will contact affected customers to explain these requirements in full detail.

Business Customers

12 Am I only impacted if I am a business incorporated in the US, Jersey, Guernsey, Isle of Man or Gibraltar?

No. Banks and Financial Organisations must classify all business customers in order to identify customers who are reportable under FATCA. We will contact customers who need to take further action.

13 What do I need to do as a business customer?

So we can establish your tax status under FATCA, we may need you to provide additional information or documentation.

14 Why has my other Bank asked for different documentation than Santander?

The way Banks and Financial Organisations collect information from their customers to confirm their tax status under FATCA may vary.

15 How frequently will I have to provide information for FATCA purposes?

FATCA is an ongoing process. If your account information changes, we may have to contact you to get additional information so that we can update your account classification under FATCA.

16 Under what circumstances would Santander report information about my account?

The purpose of FATCA is to prevent US Persons (and Crown Dependency and Gibraltar Persons) from using Banks and other Financial Organisations to avoid paying the correct amount of tax on their global income and assets. We are required to report information to the tax authority where the account was opened all accounts held directly or indirectly by such persons. This information will then be shared with the appropriate overseas tax authority.

In addition, we may also need to report information about customers who do not provide the required documentation to us.

17 What information will Santander report?

This information will be of a personal nature in relation to the relevant substantial non-UK owners of the business (for example, Name, Address, US Taxpayer Identification Number), and of a financial nature (e.g. Account number, Account balance/Value).

We will contact affected customers to explain these requirements in full detail.

18 When do I have to provide the requested information and/or documentation for FATCA?

Customers should try to supply any requested documentation and information as soon as possible. We will always include a date for responses within the letters we send you and will also send a reminder.

19 What will happen if I do not provide the information required under FATCA?

Santander is committed to being fully compliant with FATCA. We may need to report information about customers who do not provide the required documentation to us.

20 Where do I go if I want more information?

Please note that Santander is unable to offer tax advice. For tax related queries please contact your tax advisor or refer to the IRS and HMRC websites for further information.