

Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular Letter No-01

16 January 2014

Date : -----

3 Magh 1420

Managing Director/Chief Executive
All bank-companies operating in Bangladesh

Dear Sir,

Foreign Account Tax Compliance Act of the United States

The Foreign Account Tax Compliance Act (FATCA) enacted in 2010 in the United States (U.S.) requires a 'Foreign Financial Institution (FFI)' to report to the U.S. Internal Revenue Service (IRS) information about certain accounts held by U.S. taxpayers or by foreign entities in which U.S. taxpayers hold a substantial ownership interest. According to the definition of FFI, all banks as defined in the Bank Company Act, 1991 have come within the provisions of FATCA.

As the Government of Bangladesh has not yet decided to execute an intergovernmental agreement with the U.S., these obligations can alternatively be discharged at individual bank level by registering and signing 'Participation Agreements' with the IRS. The National Board of Revenue (NBR) also consented on registering with the IRS if a bank has U.S. taxpayer accounts in its books.

Therefore, banks concluding that FATCA may have implications for their customers and operations should register themselves with the IRS and put in place appropriate processes and controls to ensure compliance with FATCA. Concerned Banks are advised to visit the IRS's website, www.irs.gov/fatca-registration, for necessary guidance in this regard.

Because the agreement requires disclosures which would normally be breaches of the banker's general duty of confidentiality under prevalent Bangladeshi laws including the Bankers' Books Evidence Act 1891, banks are to obtain written consents from their customers before reporting the requested information to IRS. Banks should communicate with the existing customers well in advance of executing 'Participation Agreement' with the IRS enabling the accountholders to comply with reasonable requests for information or to provide acceptable documentation to meet the FATCA obligations.

This is for information and guidance.

Yours sincerely,



(Md. Nasiruzzaman)
General Manager
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