



FATCA INTERGOVERNMENTAL AGREEMENT

It is a bilateral agreement that allows for the reciprocal exchange of financial information between Honduras and the United States of America. The agreement requires that financial institutions of both countries identify and report the accounts of Honduran or American individuals, respectively

BENEFITS: This international regulation will have a positive outcome in the economy of Honduras, it supports transactions in the financial sector, it will strengthen tax management and hence it will support economic development.



FATCA Implementation in Honduras: The CNBS shall ensure supervision, surveillance and control of this new international regulation in compliance with its legal obligations and attributions.



IDENTIFICATION AND CLASSIFICATION OF CUSTOMERS: Honduran financial institutions must inspect and identify the account whose holders are American individuals, both in the case of new or preexisting accounts, in order to report them if they exceed the balances set forth in the Agreement for individuals and legal entities.



ACCOUNTS SUBJECT TO REPORTING:

In general, accounts subjects to reporting will be as follows:

- Deposit accounts that generate interest above 10 dollars in a calendar year.
- Any other account that receives income sourced in USA.
- Each country will report to the United States Department of the Treasury the following information about accounts held by residents for US tax purposes:
 1. Full name;
 2. Place of birth;
 3. Street address (a PO Box address may not be used);
 4. Nationality (it must be specified if the person has more than one nationality);
 5. Country of residence for tax purposes;
 6. Tax identification number (TIN) in US or equivalent;
 7. Tax identification number of another country of residence (if applicable);
 8. Average annual balance;
 9. Gross interest amount and dividends received in the account, and
 10. Any income earned from financial assets kept in the account.



DUTIES OF A FINANCIAL USER: Financial users must, when required, provide financial institutions with the necessary information (by means of forms, statements or self-certifications) in order to determine if the account holder is an American person.



INFORMATION REPORTING: Honduran financial institutions shall collect information and report it to the CNBS on an annual basis.



INFORMATION EXCHANGE: The CNBS will be in charge of processing and sending the information to the United States of America Internal Revenue Service (IRS) according to the guidelines stipulated in the Agreement. The CNBS will be the institution in charge of receiving the information sent by the IRS to the government of Honduras.



COMMUNICATION OF INFORMATION TO THE TAX ENTITY: The CNBS will provide the Tax Entity with the information received from the IRS, respecting the confidentiality and provisions limiting the use of exchanged information.