

## HDB FATCA Statement

The provisions commonly known as the Foreign Account Tax Compliance Act (FATCA) became law in March 2010, and the effective date of applying FATCA is 1 July 2014.

FATCA targets tax non-compliance by U.S. taxpayers with foreign accounts FATCA focuses on reporting:

- By U.S. taxpayers about certain foreign financial accounts and offshore assets;
- By foreign financial institutions about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest;

The objective of FATCA is the reporting of foreign financial assets; withholding is the cost of not reporting.

Under FATCA, to avoid being withheld upon, foreign financial institutions (FFIs) may register with the IRS and agree to report to the IRS certain information about their U.S. accounts, including accounts of certain foreign entities with substantial U.S. owners.

Unless otherwise exempt, FFIs that do not both register and agree to report face a 30% withholding tax on certain U.S.-source payments made to them.

An FFI that registers on the "FATCA Registration Website", upon approval, will receive a Global Intermediary Identification Number (GIIN) from the IRS which shall be used to identify that it is registered and approved by IRS. If a jurisdiction enters into an Intergovernmental Agreement (IGA) to implement FATCA, the reporting and other compliance burdens on the financial institutions in the jurisdiction may be simplified. Such financial institutions will not be subject to withholding under FATCA. Egypt has not entered into an IGA agreement but rather the Central Bank of Egypt has issued a letter directing banks working in Egypt to register directly with IRS and to comply with FATCA.

Housing and Development Bank has registered with IRS and became FATCA compliant.

Housing and Development Bank GIIN is: **96BS9U.99999.SL.818**.

HDB has been listed on the first FFI list issued by the IRS as a Participating Foreign Financial Institution (PFFI) that could be found through the following link

<https://apps.irs.gov/app/fatcaFfiList/flu.jsf>

We have listed above a summary of FATCA and HDB obligations, which shall require HDB to exert specific measures in regards of due diligence and documentation for its customers (Individuals, Entities and Correspondents), and since we are not U.S. tax experts please refer to the USA internal revenue service and/or taxation experts and professionals to act according to their advice and guidance.