



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

November 8, 2017

The Honorable Bill Posey
U.S. House of Representatives
Washington, DC 20515

Dear Representative Posey:

Thank you for your letter regarding the Foreign Account Tax Compliance Act (FATCA). As you are aware, Congress passed FATCA legislation in 2010 to strengthen the integrity of the U.S. voluntary tax compliance system and to combat the use of foreign financial accounts and foreign entities to facilitate tax evasion. FATCA provides the IRS with information about U.S. taxpayers' use of foreign financial accounts and certain higher-risk foreign entities, so that these foreign accounts and investments are subject to disclosure to the IRS, similar to the disclosures for accounts and investments held or made inside the United States that the IRS already receives.

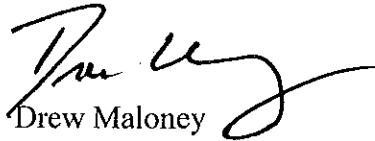
Between 2010 and 2012, the Treasury Department and the IRS issued a series of notices and other published guidance setting forth proposed rules under the FATCA statutes and, after extensive engagement with stakeholders, issued final regulations in 2013 that phased in the implementation of the new information reporting regime. Additional FATCA guidance has subsequently been issued to respond to stakeholder comments and to coordinate the information reporting regime with preexisting information and withholding tax regimes under the Internal Revenue Code. Concurrent with the work on developing the FATCA regulations, the intergovernmental agreement (IGA) approach was developed in collaboration with other governments as an alternative way to implement the information reporting objectives of FATCA that would remove legal impediments under local law and reduce administrative burdens for foreign financial institutions where appropriate. Congress has authorized the exchange of tax information with foreign governments pursuant to bilateral executive agreements, and information regarding financial accounts is relevant to tax administration.

The Treasury Department has identified FATCA as a potential area for regulatory burden reduction pursuant to Executive Order 13777. The Treasury Department and the IRS are engaged with taxpayers and other constituents regarding ways to reduce unnecessary burdens from FATCA compliance. In this regard, we have recently provided relief to financial institutions by providing them additional time to collect taxpayer identification numbers to be included in reporting under FATCA and the IGAs.

The Treasury Department and the IRS will continue to work closely with all interested stakeholders to implement FATCA in a manner that appropriately balances the compliance objectives of the statute with the burdens that it imposes.

We appreciate your continued attention to FATCA and look forward to working with you as these discussions continue. If you have additional questions, please contact Bradley Bailey, Office of Legislative Affairs, at (202) 622-1900.

Sincerely,

A handwritten signature in black ink, appearing to read "Drew Maloney", with a long, sweeping flourish extending to the right.

Drew Maloney
Assistant Secretary for Legislative Affairs