

Upcoming FATCA deadlines for Canadians

Moody's Tax
May 1, 2015

As part of its 2015 Federal Budget announcements, Canada committed to implementing the “Common Reporting Standard” (CRS) promulgated by the Organization for Economic Co-operation and Development (OECD). While the OECD’s efforts to facilitate information reporting via the CRS and Canada’s corresponding implementation of such a regime will certainly have lasting impact, let us not forget about the progenitor of information exchange and its looming deadlines: FATCA.

Based on an Intergovernmental Agreement signed by Canada and the United States in early February of 2014, financial institutions across Canada are required to review their accounts and submit information with respect to “US reportable accounts” (generally accounts held or controlled by US persons subject to certain monetary thresholds) to the CRA. Failure to provide accurate or timely information with respect to US reportable accounts may lead to a withholding imposed upon the financial institution itself by the United States. The CRA is obligated to forward this information to the IRS by the end of September 2015.¹

To ease this inundating FATCA compliance burden imposed on financial institutions, the CRA will implement FATCA in phases, whereby information reporting starts out modestly (at least when compared to the default rules that apply under US law) and ramps up to its full scope within the next several years. Notwithstanding this meager consolation prize, Canadian financial institutions must remain vigilant and meet key upcoming deadlines outlined below.²

1. Reporting Deadlines

2014	Regarding	Information to be reported to the CRA before May 2, 2015
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