

Update on the Status of the Negotiations on the Foreign Account Tax Compliance Act (FATCA) between Barbados and the United States of America

The Special FATCA Negotiating Team, under the Chairmanship of Mr Elson Gaskin, Bank Secretary of the Central Bank of Barbados, has completed its review of the FATCA Inter-Governmental Agreement, including the Annexes thereto, between the United States of America (USA) and Barbados, these documents have been vetted and approved by the Office of the Chief Parliamentary Counsel, which has responsibility of certifying their appropriateness to the Attorney General. The Team submitted a detailed Report to the Cabinet of Barbados on May 2, 2014 and approval thereof is awaited. In the interim and in anticipation of the Cabinet's approval however, the Team has signalled to the USA that Barbados is ready to proceed to initial the Agreement.

During the review process, the Negotiating Team made several enquiries of the USA along with suggested amendments but the USA, while acknowledging these suggestions, declined to make them, citing the need to have uniformity in their documentation. In addition, detailed issues raised by the Special Negotiating Team received comprehensive responses from the USA which can be utilised to assist Barbados financial institutions should these matters arise in the coming months as they seek to ensure FATCA compliance.

The USA indicated on May 23, 2014 that it will confirm its readiness to Barbados by the week commencing May 26, 2014 and thereafter the Agreement will be finalised and initialled by both parties.

The Treasury Department of the USA has indicated that once Barbados initials the documents and Barbados consents, Barbados' name will be placed on the published list of countries with which a FATCA IGA is deemed to be in place. The formal execution will take place at a subsequent date. Barbados' Ambassador in Washington has also been apprised of these developments.

The Report of the Special Negotiating Team to the Cabinet of Barbados along with a revised Action Plan have also been posted to this website for your further information.

FATCA Special Negotiating Team
May 23, 2014