

## Summary of the Proposed FATCA Regulations

March 7, 2012 | Client Update

The tax provisions commonly referred to as “FATCA” use a 30% withholding tax to enforce a worldwide reporting regime designed to prevent U.S. persons from using offshore accounts to evade U.S. federal income tax. On February 8, 2012, Treasury issued a massive set of proposed regulations addressing many but by no means all aspects of the FATCA reporting and withholding regime. Although the proposed regulations would mitigate certain compliance burdens, implementing the regime remains at best a daunting prospect for U.S. withholding agents and, even more so, for many “foreign financial institutions,” broadly defined. This memorandum provides a summary of the proposed FATCA regulations and their implications for market participants.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

**Mary Conway**

+1 212 450 4959  
mary.conway@davispolk.com

**Samuel Dimon**

+1 212 450 4037  
sam.dimon@davispolk.com

**Michael Farber**

+1 212 450 4704  
michael.farber@davispolk.com

**John D. Paton**

+44 20 7418 1330  
john.paton@davispolk.com

**Po Sit**

+1 212 450 4571  
po.sit@davispolk.com

---

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*

## **Related materials**

[Read the full update](#)