Frequently Asked Questions About the FATCA Law

1. What is FATCA?

FATCA (Foreign Account Tax Compliance Act) is a law enacted in the United States of America on March 18, 2010, aimed at identifying U.S. citizens, residents, and persons liable for U.S. tax, known as U.S. Persons, who hold financial accounts abroad.

2. How does Colombian legislation respond to the FATCA Law?

To facilitate the implementation of this U.S. law in Colombia, the Congress of the Republic of Colombia enacted Law 1666 on July 16, 2013, under which the "Agreement between the Government of the Republic of Colombia and the Government of the United States of America for the Exchange of Tax Information" was approved.

On May 20, 2015, the Government of the Republic of Colombia and the Government of the United States of America signed the "Agreement to Improve International Tax Compliance and Implement Automatic Exchange of Information with Respect to the Foreign Account Tax Compliance Act (FATCA)."

3. Which entities does FATCA apply to?

FATCA applies to financial institutions, including banks, stockbrokers, trust companies, and other investment funds and vehicles that operate outside the territory of the United States, referred to as Foreign Financial Institutions (FFI).

4. When did FATCA come into effect?

The FATCA Law entered into force on July 1, 2014.

5. Who is considered a U.S. Person?

A U.S. Person may be a natural person or a legal entity. This classification may include, without limitation, persons or entities that meet any of the following indicators:

- Being a U.S. citizen or resident
- Being a person liable for U.S. tax
- Being a company with a parent company or country of incorporation in the United States, or with tax liability in that country
- Being a company that has at least one partner or shareholder with an ownership interest of 10% or more of the capital, who is identified as a U.S. Person

6. How are the Bank's clients affected?

The impact on the Bank's clients, both existing and new, is expected to be minimal, given that the information required for the analysis process is included in the existing Single Enrollment Form. This form should be completed fully and accurately at the time of client enrollment and whenever information is updated. If necessary, the client may be asked to provide additional documentation to support their status under the FATCA Law.

7. What is expected of clients regarding the FATCA Law?

Clients are expected to understand and cooperate with the need to provide all information required in the enrollment forms and to respond in a timely manner to any update requests made to them. Keeping information up to date and maintaining ongoing communication supports the Bank in continuing to meet their financial needs appropriately.

8. Where can more information about FATCA be found?

For more information, please visit: https://www.irs.gov/

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