

FATCA information sheet for private clients

FATCA and your life insurance

In March 2010 new legal provisions under the "Foreign Account Tax Compliance Act" (FATCA) were adopted in the United States aimed at enforcing U.S. taxation around the world. The goal of the U.S. legislators is that all financial institutions throughout the world (e.g. banks and insurance companies) should directly provide the U.S. tax authorities with information on assets held by persons subject to U.S. taxation (so-called "U.S. persons"), irrespective of their country of residence.

Switzerland has created a legal basis for enforcing the FATCA provisions.

U.S. person

You are deemed a "U.S. person" if you are subject to U.S. tax laws for any reason. This may be the case, for example, for the following reasons:

- you are a citizen of the United States
- you hold a U.S. residence permit ("green card")
- you are physically present in the United States for a substantial number of days, that is
 - at least 183 days in the current year or, if less,
 - at least 31 days in the current year and at least 183 days in a three-year period which includes the current year and the two years immediately prior to the current year according to the following formula: number of days in the current year x 1 plus number of days in the first year preceding the current year x 1/3 plus number of days in the second year preceding the current year x 1/6
- you are someone who is subject to U.S. tax laws for any other reason (including but not limited to dual residency, joint filing of tax return with a "U.S. person" – spouse for example – and relinquishing of U.S. citizenship or "green card")