



Non-reporting statuses for funds

Collective Investment Vehicle for a fund that is solely distributed through FATCA compliant financial institutions.

Restricted Fund for a fund that formally excludes U.S. investors.

Sponsored Investment Entity if another entity agrees to fulfill the FATCA obligations on behalf of the fund.

Your tax advisory team

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Background

On the 28th of March, the Luxembourg Government signed a FATCA Model 1 Intergovernmental Agreement (IGA) with the U.S. for the exchange of tax information.

Luxembourg Investment Funds will have to comply with FATCA rules, irrespective of whether they have U.S. investors or not and whether they have U.S. investments or not.

The IGA contains a broad range of due diligence, registration, withholding and reporting obligations. At present, however, we believe entity classification and registration should be given primacy.

Choosing the best status



With at least seven FATCA statuses to choose from, identifying the best possible status for each investment fund will be key in the successful implementation of the regulation and may not prove to be quite as straightforward an exercise as one may think, often requiring some strategic thinking.

The most obvious option would be to go for a **Reporting FI** status, where funds have to register themselves with the U.S. Authorities and fully comply with the entirety of the FATCA rules.

An alternative option would be to choose one of the so called **non-reporting** statuses for funds.

These statuses (to the left) may provide for restrictions and may be more burdensome during the implementation phase, but have numerous advantages in the mid-term: the fund would neither have to register with the IRS, nor report to the Luxembourg Tax Authorities in the context of the FATCA framework in subsequent years.

Our services



Analysis of the most appropriate status for your Investment Funds resulting in a reporting or non-reporting status

Preparation of the **self-certification** form (e.g. Form W-8BEN-E) for your Investment Funds

Registration of your Investment Funds qualifying as a reporting entity.

Fixed fee arrangement per entity or group of entities.

Why KPMG?



KPMG Luxembourg has set up a dedicated team of experienced professionals to perform an in-depth analysis of the FATCA rules, with the support of KPMG U.S.

KPMG Luxembourg is a major contributor on FATCA in all relevant industry associations (including ABBL, ALFI and ACA.)

Please do not hesitate to contact us for any further information you may need or to discuss the registration process and our approach.