

Foreign Account Tax Compliance Act

What is Foreign Account Tax Compliance Act (“FATCA”)?

- To encourage better tax compliance by preventing United States of America (“US”) persons from using foreign financial organisations to avoid US taxation on their income and assets. Malaysia is one of the participating countries in the FATCA implementation with effect from 1 July 2014

Who is required to comply?

- All new and existing customers of Bank Muamalat Malaysia Berhad (“BMMB”)
- BMMB is to comply on collecting and reporting of the information to the Inland Revenue Board of Malaysia (“IRBM”)

When is required to comply?

- Customers have to complete a self-certification form during opening of account process
- BMMB is to collect information on “tax resident” of customers

Why is required to comply?

- In compliance to the US’ Department of Treasury and the US’ Internal Revenue Service requirements to help fight tax evasion, countries around the world are cooperating for standardised form of financial account information gathering and reporting to be exchanged between governments and to improve cross-border tax compliance
- A tax withholding regime up to 30% for payment will be imposed on certain Foreign Financial Institutions and other foreign entities
- IRBM requires all financial institutions to collect and report foreign tax information relating to the customers

Where to check on the requirement?

- Please refer to the website of IRBM, as per below link:
http://www.hasil.gov.my/bt_goindex.php?bt_kump=6&bt_skum=2&bt_posi=1&bt_unit=1&bt_sequ=1

For further information, please visit our nearest BMMB’s branches or contact our Customer Care Line at 1-300-88-8787