

The Foreign Account Tax Compliance Act (FATCA)

1. **What is FATCA (Tax Compliance)?** The Foreign Account Tax Compliance Act (FATCA) is a law enforced by the U.S. Internal Revenue Service (IRS) to combat tax evasion for U.S. citizens residing outside the United States. Wala'a Company is required to comply with FATCA by providing information regarding clients subject to the IRS law.

2. **What is meant by the term “U.S. citizens subject to FATCA”?**
 - U.S. Individual Indicator:
 1. U.S. citizen.
 2. Resident in the United States of America (holding a green card).
 3. Birthplace is in a U.S. city even if not holding a U.S. passport or green card.
 4. Residence or mailing address in the United States.
 5. Fixed payment orders to transfer funds to accounts in the United States.
 6. If the only address in the account file is "to a party" or "save correspondence".
 7. The address of an agent with a standing delegation of the account or the address of the authorized person signatory for the account in the United States.
 - U.S. Corporate Indicator:
 1. Place of registration or organization in the United States.
 2. U.S. address.

3. **What is the basic obligation of Wala'a Company? Is the company obligated to disclose information about U.S. citizens to the IRS?** Wala'a Company commits to verifying and identifying any client classified as American according to U.S. identity indicators for new and existing clients according to FATCA. The company commits to disclosing to the local supervisory authority, based on the client's personal acknowledgment in the insurance document issuance forms or data updates.

4. **Are only American clients required to sign the personal declaration form?** No, signing the personal declaration form is mandatory for all clients regardless of nationality.

5. **What is the validity period of the personal declaration form?** The personal declaration form is valid for life. The client is responsible for informing Wala'a Company of any changes.
6. **What action should be taken regarding clients who refuse to provide the necessary documents if they meet U.S. identity indicators?** The client will be contacted to provide proof documents within 90 days. If the client fails to provide the required documents, the client will be classified as "non-cooperative" after the disclosure deadline. Without providing the required documents, no insurance policy will be issued for the client or the policy will be frozen if it is in force, and the client's data will be disclosed as a FATCA-compliant client.
7. **What information is Wala'a Company expected to send about the client to the IRS with the knowledge of the local regulatory authority?** This includes but is not limited to the following information:
 - Name, address, and tax identification number of each account holder known to be a U.S. citizen.
 - Account number.
 - Document information.
8. **Does FATCA lead to increased taxes on those subject to it? What is the tax rate applied to U.S. citizens?** FATCA is simply a regulatory mechanism to ensure that U.S. taxpayers residing outside the United States comply with existing tax laws. The information required by the law is the same as that required by the IRS from taxpayers within the United States.
9. **Is FATCA applied to U.S. citizens or green card holders who renounce their status?** No, but such individuals must provide evidence of renunciation of citizenship or residency to avoid disclosure of their data.

- **Individual clients:**

10. My son is studying in the United States and does not have U.S. citizenship, but he was born in the United States. Is FATCA applicable to him when issuing a document?

Yes, the company is obligated to disclose information for individuals born in the United States unless they provide documentation proving renunciation of citizenship.

11. Does FATCA apply to a holder of a U.S. ID or a holder of a U.S. passport? Yes, both are within the U.S. identity indicators mentioned in section (2).

12. I have a U.S. passport but do not have a Social Security number. Please contact the IRS to obtain your tax number.

13. I have a U.S. passport and intend to cancel it. Am I classified as subject to FATCA?

The company is obligated to disclose details of client information related to the document until you provide documentation renouncing your U.S. passport.

