



強制性公積金計劃管理局
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

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21 February 2012

Circular Letter: SU/COT/2012/003

**To: Corporate and Individual trustees/administrators of ORSO registered schemes and
All representative/relevant employers of ORSO exempted schemes**

Dear Sirs,

**U.S. Foreign Account Tax Compliance Act –
Implications for ORSO schemes**

The Authority would like to alert you to developments relating to the Foreign Account Tax Compliance Act ("FATCA") that was enacted into law of the United States of America in 2010. I am writing to remind you to consider and, where appropriate, address any potential implications of FATCA on your ORSO scheme.

FATCA became law in March 2010 although it has not yet commenced operation. It aims to reduce the evasion of U.S. tax obligations through foreign financial institutions ("FFIs") and nonfinancial foreign entities ("NFFEs"). It will generally impose a 30% withholding tax on all withholdable payments made to FFIs and NFFEs unless the FFI or NFFE complies with certain reporting, disclosure and related requirements or is deemed to comply with those requirements. A foreign financial institution includes a foreign entity that, as a substantial portion of its business, holds financial assets for the account of others.

On 8 February 2012, the U.S. Department of Treasury and Internal Revenue Service issued proposed regulations providing guidance for FFIs and NFFEs to implement the provisions of FATCA. The following is the link to the proposed regulations: www.irs.gov/pub/newsroom/reg-121647-10.pdf.

The IRS has requested that comments on the proposed regulations be submitted by 30 April 2012.

You should make yourself aware of the implications on your ORSO scheme. You should endeavour to keep yourself up to date on developments so that you are able to respond as necessary in order to best protect the interests of members of the scheme.

Further information on FATCA is available on the IRS website www.irs.gov by searching under "FATCA". You may also wish to consult your professional advisers.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Henrietta Ma', written in a cursive style.

(Henrietta Ma)
Manager
ORSO Schemes Department
Supervision Division