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Department of the Treasury
Secretary of the Treasury
Mr. Jacob J. Lew
1500 Pennsylvania Avenue, NW Washington, D.C. 20220
United States of America

**International Tax and
Consumer Tax Directorate**

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Our reference

2016-0000163729

Encl.

1 Letter of Dutch Banking
Association
2 Letter of 6 September 2016

Date 2 NOV 2016
Subject Implementation FATCA

Dear Mr. Lew,

On 18 December 2013, the Agreement between the United States of America and the Kingdom of the Netherlands to improve international tax compliance and to implement FATCA (hereafter referred to as 'the Agreement') was signed. Although the Netherlands fully endorse the aims of the Agreement, there are some concerns about its impact and effect in certain situations. In addition to this there are concerns relating to the incompleteness of the data that has been exchanged so far between the Netherlands and the United States of America. With this letter I would like to bring forward the concerns of the financial institutions in the Netherlands that have been raised in relation to the implementation of the Agreement.

Incomplete data and missing TINs

Under the Agreement, parties have agreed to obtain and exchange information in relation to so called Reportable Accounts. From January 1, 2017 on, the information that has to be exchanged includes tax identification numbers ("TINs") of both US and Dutch persons, whichever is appropriate. The Dutch Banking Association ("DBA") have expressed their concerns in relation the account information they are able to collect from their customers. In the attached letter, the DBA describes the difficulties Dutch banks have encountered in obtaining US TINs from existing accountholders. A lot of accountholders do not provide the US TIN, even after multiple letters and other efforts of their bank. A part of the missing TINs is explained by the difficulties 'accidental dual citizens' face when they want to apply for a (new) TIN. For this discussion, I refer to my letter of 6 September 2016 which is attached for your convenience.

I share the concerns of the DBA and would like to include this in a broader discussion on the datasets that has been exchanged up till now. On both sides certain elements in the datasets are incomplete.

A way forward

The Netherlands is fully supportive of the underlying policy goal of FATCA to improve tax compliance. The intergovernmental approach of the Agreement significantly reduces burdens for Netherlands financial institutions. However, the issue of the missing TINs will lead to the exchange of incomplete data. Therefore, I would like to suggest that the Competent Authorities of the U.S. and the Netherlands discuss this issue. In line with this issue, the efforts that can reasonably be expected from financial institutions in order to be compliant can also be included in this discussion. Could you please forward my request to the Competent Authority on your side. Hopefully the Competent Authorities of our countries can come to a practical solution in order to mitigate negative consequences in the future. The competent authority and contact person on behalf of the Netherlands is [REDACTED] of the Dutch Tax and Customs Administration [REDACTED].

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I am looking forward to your response at your earliest convenience.

Yours sincerely,

THE STATE SECRETARY OF FINANCE,

Eric Wiebes

