

Implementation of the FATCA Agreement between Moldova and the USA

12 February 2016

In brief

The legislative framework of the Republic of Moldova has been updated for purposes of implementation of the Foreign Account Tax Compliance Act (“FATCA”).

In detail

The amendments approved by the Parliament provide the Moldovan legislative framework enabling the Reporting Financial Institutions of Moldova (as defined in the FATCA Agreement) to transmit to the American Tax Authorities the information on financial accounts owned by American taxpayers, which are within the FATCA scope.

Moldovan tax authorities may request institutions in the country which are within the

FATCA scope to report the information required under the Agreement.

Moreover, the Reporting Financial Institutions of Moldova are entitled to withhold at source the tax due under the FATCA terms.

These legislative amendments entered into force on 29 January 2016.

[Source: Law on implementation of Foreign Account Tax Compliance Act (FATCA) provisions and on amendment and

supplementation of certain legislative acts, Official Gazette No. 20 – 24 (5453 - 5457) of 29 January 2016]

The takeaway

Under the FATCA terms, if clients to whom this Agreement applies do not consent to providing the required information, the Reporting Financial Institutions of Moldova will not open accounts or will close the already opened accounts of these clients.

Let's talk

For a deeper discussion of how this new legislation might affect your business, please contact:



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