

**ALERTS**

## **FATCA Registration and Compliance Requirements for Hedge Funds**

**April 8, 2014**

The Foreign Account Tax Compliance Act (“FATCA”) generally imposes registration, due diligence, withholding and reporting obligations on certain investment funds and investment fund managers. Under the U.S. Treasury regulations, foreign financial institutions (“FFIs”), including investment funds and investment managers that are organized outside of the U.S., would be required to register and enter into an agreement (an “FFI Agreement”) with the U.S. Internal Revenue Service (“IRS”) in order to ensure compliance with FATCA. In an effort to streamline these requirements, the U.S. has entered into Model 1 intergovernmental agreements (“IGAs”) with several jurisdictions, including the U.K. and the Cayman Islands. Under a Model 1 IGA, investment funds must register with the IRS, but will not be required to enter into an FFI Agreement. Instead, they will be obligated to comply with the local rules issued by the IGA partner country for the implementation of FATCA.

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## Related People



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## Practices

**HEDGE FUNDS**

**INVESTMENT MANAGEMENT**

**REGULATORY AND COMPLIANCE**

**TAX**

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## Attachments

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