

# The Foreign Account Tax Compliance Act (FATCA) and its Impact on Institutions Regulated and Supervised by the Bangko Sentral ng Pilipinas

*Rowena L. Soriano-Dionisio*

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The Foreign Account Tax Compliance Act (FATCA) was signed into law by President Barack Obama of the United States (U.S.) last March, 2010. The law essentially aims to combat and deter tax evasion by U.S. citizens through the use of offshore accounts. It accomplishes this goal by requiring Financial Foreign Institutions to report to the U.S. Internal Revenue Service (IRS) with significant information regarding foreign accounts held by U.S. taxpayers, or about foreign entities owned by such taxpayers.

This law was understandably met with controversy in the international banking community. In this Note, the Author examines the effects of the law on the Philippine Banking system, especially given the Bangko Sentral's role as supervisor. He elucidates the possible hurdles and pitfalls facing the law's application in the Philippine legal and jurisprudential system.