



# Help and Advice

Northern Synod Office, 4 College Lane, Newcastle upon Tyne NE1 8JJ (0191-232 1168)

## **Bulletin 49: FOREIGN ACCOUNT TAX COMPLIANCE ACT**

The Help & Advice Group was set up by Synod in 2009, to support local churches in being informed and effective in their life and mission. The group was disbanded in 2014, as part of a simplification of Synod committees, and its work continues through the Trust Officer, under the oversight of the Trust. We are willing to try to provide specific advice on particular topics. Please get in touch if you have questions or suggestions.

This article is part of a series giving an overview of particular subjects of interest for local churches. We also circulate general updates from time to time. Bulletins will also be posted on the members' area of the website with direct links to other websites.

Where readers are directed to web-based resources, the Synod Office is willing to respond to reasonable requests for printed out information for readers without web access, although they may find it more satisfactory to follow up their interest through their local library's web access.

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### **Foreign Account Tax Compliance Act (FATCA)**

Some churches have recently been receiving letters from their banks asking them to fill in a complicated FATCA form.

FATCA is a piece of US legislation, designed to target tax evasion by US citizens. It requires banks to identify all of their customers for tax purposes. The UK has followed suit with its own FATCA, so you may be asked to fill in forms on either or both. Unfortunately, the legislation is quite complicated, and each bank has produced its own forms, which have to cover a very wide range of customers. This makes them difficult for churches to complete, as they were not designed with us in mind.

The Church of England has produced very useful advice at [www.parishresources.org.uk/fatca](http://www.parishresources.org.uk/fatca), although there are some differences between local churches of the United Reformed Church and parochial church councils of the Church of England.

In particular, they recommend enclosing a covering letter giving the relevant information in a more workable form. You should also note that URC local churches are not automatically registered charities; only those with gross annual income over £100,000 should be registered with the Charity Commission.

A proforma covering letter is attached which fits the URC better than the one suggested by the Church of England, which you can adapt to your own circumstances. We are nonetheless very grateful to the Church of England for their work on this.

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## Notes to Proforma Letter

*[Notes (these are to aid in filling in the above letter and should be deleted from the letter before it is sent to the bank etc):*

*It is expected that you will have some type of unique 'Tax Identification Number' ('TIN') and they will want you to quote it.*

- Any church who itself makes Gift Aid repayment claims to directly to HMRC will be registered with HMRC and will have been given a number (the 'HMRC Charity Reference number') in the format of 'up to five numbers and starting with one or two letters' (e.g. XR12345), which it quotes on each reclaim.*
- For UK corporate entities this would normally be the Unique Tax Reference number ('UTR') that would be found on any notice you may have received from HMRC telling you that you have to complete a Corporation Tax Return. As shown above the format of such a number is XXX/XXXXX/XXXXX where the three lead numbers are the identifier for the tax office who deals with you. In the case of Charities this will be 992, the Charities Section in Bootle, Merseyside. The remaining XXXXX/XXXXX is the number unique to the individual taxpayer. As local churches are not corporate entities, this item may not apply to you.*
- If you have registered with the Charity Commission you will have been given a registration number.*

*If you are not registered with the Charity Commission and your annual gross income is over £100,000, you should review the situation and take action to register – guidance is available from the Synod Office.*

*When completing this pro-forma letter you should quote all the numbers you do possess, and fill in the other items highlighted overleaf in yellow.]*

Dear Sir/Madam

**XXXXXXXXX United Reformed Church**

**Bank Account No: XXXXXXXX Sort Code XX-XX-XX**

**Forms for Self-Certification under FATCA**

We have completed the various FATCA forms you sent us to the best of our knowledge and understanding of the relevant regulations under both the US/UK Inter-Governmental Agreement (IGA) and the IGAs that exist between the UK and its Crown Dependencies and Overseas Territories but for clarity we have detailed below the relevant information relating to the local church to ensure that you can satisfy yourself of the correct reporting status for both the US/UK and UK/CDOT FACTA IGAs.

Local Churches of the United Reformed Church are unincorporated charitable organisations which are governed under the Scheme of Union of the United Reformed Church.

There are no persons whether individual, corporate or otherwise that have any beneficial ownership in them. All the assets administered by them are held on their behalf and not on behalf of third parties. Churches are not deposit-taking institutions nor custodial institutions. They may invest their own funds but do not invest funds on behalf of third parties.

*[This paragraph should be used by churches that are not registered with the Charity Commission]*

Local Churches of the United Reformed Church are charities but are 'excepted' from registration with the Charity Commission of England and Wales if their income is £100,000 p.a. or less, but they are still subject to that bodies' regulation (see the Charity Commission's guidance titled 'Excepted Charities' and the Charities (Exception from Registration) (Amendment) Regulations 2014). As a consequence many local churches are not registered with the Charity Commission and therefore do not have a charity registration number.

*[This paragraph should be used by churches that are registered with the Charity Commission]*

Local Churches of the United Reformed Church are charities and we are registered with the Charity Commission for England and Wales and our charity registration number is given below.

*[This paragraph should be used by all churches that are registered with HMRC and have an HMRC Charity Registration Number]*

**XXXXXXXXX** United Reformed Church is also separately registered with HMRC for charitable tax purposes and our HMRC Charity Reference Number is also detailed below.

## US and UK FATCA Self Certification

### 1. US FATCA details

#### a. Tax Residency

- i. Organisation's name: St XXXXXXXX United Reformed Church.
- ii. Address: 1 Church Lane, Anytown, AB12 3CD United Kingdom
- iii. Country of residency for tax purposes: United Kingdom
- iv. Country or incorporation: United Kingdom
- v. United Kingdom Tax Identification Number: 922/12345/67890  
HMRC Charity Reference number: XR12345; and/or  
Charity Commission Registered Charity Number: 1234567

#### b. Classification of Entity for FACTA

The local church is a Registered Charity in the United Kingdom (as defined in the US/UK IGA under Annex II.I.A - Non-Profit Organisations) and is therefore treated as a Deemed Compliant Foreign Financial Institution.

### 2. UK/CDOT IGAs

The local church is classified as an Active NFFE under the IGAs between the UK all the British Crown Dependencies and British Overseas Territories (see Annex II.I.E and Annex III.I.H).

Yours faithfully

Church Treasurer

For and on behalf of XXXXXX United Reformed Church