



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

August 29, 2022

Ambassador André Haspels  
Embassy of the Netherlands  
4200 Linnean Ave. NW  
Washington, DC 20008

Dear Ambassador Haspels,

I am writing regarding our ongoing discussions on the Foreign Account Tax Compliance Act (FATCA), during which you have requested further guidance with respect to Dutch financial institutions that are reporting information pursuant to the Agreement between the United States of America and the Kingdom of the Netherlands to Improve International Tax Compliance and to Implement FATCA (the IGA) regarding bank accounts of account holders that have not provided U.S. taxpayer identification numbers (U.S. TINs) to the financial institution. We understand that the issue is of particular concern with respect to bank account holders that are U.S. citizens who are residents of the Netherlands and have limited ties to the United States.

We value our collaboration with the Netherlands in countering offshore tax evasion and improving international tax compliance. We believe that it is in our mutual interest for U.S. citizens resident in the Netherlands to continue to be able to access basic bank accounts in the Netherlands in order to conduct their ordinary course daily financial activities like the receipt of wages and the payment of bills. However, we wish to again emphasize that obtaining U.S. TINs from U.S. citizens holding accounts at foreign financial institutions (FFIs), including accounts located in their country of residence, is crucial to ensuring that the U.S. Internal Revenue Service (IRS) has the tools it needs to determine whether U.S. citizens are complying with their U.S. tax obligations.

In order to address the concerns described above in a balanced manner, the Treasury Department and the IRS intend to develop and publish guidance that we expect will provide that FFIs that follow specified procedures will not be treated as significantly noncompliant with their reporting obligations under the IGA solely because of the failure to report U.S. TINs for certain types of accounts. The guidance is expected to require that our FATCA partner jurisdictions take certain steps to increase the likelihood that U.S. citizens residing within their border will report U.S. TINs to the relevant FFIs as a condition to relief for FFIs in the jurisdiction. This guidance is intended as a first step towards potential permanent relief for foreign financial accounts of U.S. citizens resident abroad that pose a low risk from a U.S. tax compliance perspective.

We hope that based on this information Dutch FFIs will not close accounts of U.S. citizens resident in the Netherlands who do not provide U.S. TINs prior to the issuance of the published guidance.

We appreciate the constructive dialogue that we have had on these issues and look forward to future collaboration and cooperation.

Yours sincerely,

*Lily Batchelder*

Lily Batchelder

Assistant Secretary of Tax Policy, U.S. Department of the Treasury

cc: State Secretary Marnix van Rij