

FATCA

QUESTION & ANSWERS

WHY HAS SOCIETE GENERALE DECIDED TO BECOME COMPLIANT WITH FATCA?

No active international financial institution is able to ignore FATCA.

Societe Generale Group recognizes that non-compliance with FATCA would:

- entail major commercial and reputational damage,
- represent a financial cost relative to its own revenues,
- but also pose a major risk to be excluded from certain clients, counterparties, providers and/or marketplace relationships.

Societe Generale has decided to become compliant with FATCA by causing all its financial entities to qualify as “Participating Foreign Financial Institutions” (PFFI), “Deemed Compliant FFIs” (DC FFI), or FATCA Partner FFIs in the target model.

HOW CAN I CHECK FATCA COMPLIANCE STATUS AND GIINS FOR EACH ENTITY OF SOCIETE GENERALE GROUP?

Societe Generale supervises FATCA compliance of all Group financial entities owned more than 50% on a worldwide basis within the Societe Generale FATCA Expanded Affiliated Group (EAG). Other minority owned Group financial entities may also enter into FATCA agreements with the IRS or be affected by local law in Partner Jurisdictions.

The list of Societe Generale EAG financial entities registered with the US authorities together with their Global Intermediary Identification Number (GIIN) is updated each month on our web portal.

Certain other Societe Generale EAG financial entities with FATCA Deemed-Compliant status or with out of scope status (are not required to register) confirm compliance without having to provide this GIIN. In addition, certain Societe Generale EAG financial entities located in countries where local law strictly prohibits FATCA implementation benefit from a transition period until the end of 2016 to achieve compliance. Until full FATCA compliance is ensured, for which Societe Generale is committed, such Limited entities will identify themselves as non compliant.

WHEN WILL A CLIENT BE AFFECTED BY FATCA REQUIREMENTS ON SOCIETE GENERALE?

In line with the Societe Generale Tax Code of Conduct, Societe Generale has already prohibited any practices or procedures to assist clients or account holders in the avoidance of FATCA.

Since July 1st, 2014, Societe Generale Group financial entities' on-boarding processes and legal agreements incorporate FATCA due diligence regarding the identification of the accounts held directly or indirectly (via interposed structures) by US persons. Certain pre-existing account relationships or obligations have required detailed ongoing investigation under FATCA client due diligence and verification procedures applicable locally to Societe Generale group financial entities, including new specific documentation requests.

WHAT ARE THE BENEFITS OF COMPLIANCE TO SOCIETE GENERALE AND ITS CLIENTS?

Societe Generale's objective is to better serve its clients in understanding FATCA, its implications and to help clients comply with this very complex legislation. This is particularly important to share with other financial institutions and institutional clients.

As a FATCA-compliant financial group, Societe Generale is able to offer clients access to a wide range of products and services that generate U.S. source income without having to suffer FATCA withholding tax imposed at a rate of 30% thereby helping them preserve their assets and returns.

WHAT ARE THE CONSEQUENCES FOR SOCIETE GENERALE CLIENTS THAT DO NOT WANT TO COMPLY WITH FATCA?

In situations where a client has US indicia but is not FATCA compliant (considered “recalcitrant” due to refusing to provide the required documentation, absence of a response within a certain time limit...) or for non-participating institutional clients outside Partner jurisdictions, FATCA requires withholding on certain payments of US source income. In the future, FATCA withholding tax may be applied on foreign pass-through payments (certain foreign payments attributable to payments that would otherwise be subject to FATCA withholding tax).

Since July 1st, 2014, Societe Generale Group does not accept new or retain permanent recalcitrant clients. Societe Generale financial institutions located in Partner countries that have signed a Model 1 IGA (including France) implement a mandatory tax reporting regime, which imposes collection and transmission of FATCA tax information to local authorities on the basis of US indicia without any client consent, thus excluding any possible non compliant situation for the local client base.