



Starting on July 1, 2014, Cameroonian banks who fail to declare the account balances of their American customers to the American government by December 31 could see up to 30% of certain payments withheld by that country. This is the news that Citi Bank in Cameroon recently announced to representatives of other banks at a meeting held in Douala concerning the Foreign Account Tax Compliance Act (FATCA).

This American initiative, which aims to fight tax evasion and is scheduled to take effect in July 2014, requires that foreign banks *“declare the balances of all accounts held by American citizens containing sums greater than 50,000 dollars (around 25 million FCfa) by December 31 of this year.”*

According to Pierre Fiset, Director of Legal Affairs for Northern Europe at Citi Bank, when invited to explain the FATCA to Cameroonian bankers at a meeting in Douala, Cameroonian banks are *“to cooperate fully by signing an FFI (Foreign Financial Institution) Agreement which mandates that Cameroonian institutions provide required information to the American tax authorities.”*

However, Citi Bank also noted that, *“apart from the FFI Agreement that would be signed by each bank directly with the IRS, countries may sign a treaty with the United States or an intergovernmental agreement,”* with measures in places to protect banking confidentiality, personal data and the local rights of the bank involved.