

FATCA registration and implementation postponed by six months

Newsletter # 5 / August 2013

According to Notice 2013-43, the Foreign Account Tax Compliance Act (FATCA), amongst other regulations, “requires withholding agents to withhold 30% of certain payments to a foreign financial institution (FFI) unless the FFI has entered into an agreement with the IRS to, among other things, report certain information with respect to U.S. accounts”. FATCA “also imposes on withholding agents certain withholding, documentation, and reporting requirements with respect to certain payments made to certain non-financial foreign entities (NFFEs)”.

The final regulations of FATCA provided for a phased implementation of the requirements, beginning on January 1, 2014, and continuing through 2017.

On July 12, 2013, a general six-month extension was given by the ISR to the start of the FATCA withholding and account due diligence requirements. The revisions, published as Notice 2013-43, contain a revised timeline and other guidance regarding the implementation of FATCA.

The extension is meant to provide FFI with the time necessary to comply with FATCA while helping to ensure efficient implementation of the law. This extension was given due to the practical problems that the implementation process was generating for both U.S. withholding agents and FFIs.

**This message is not intended to be a tax advice; it is merely a communicative report. Notice 2013-43 shall be consulted in order to review and determine the specific changes in deadlines for the implementation of the requirements of sections 1471 through 1474 of the Internal Revenue Code and for the additional guidance concerning the treatment of financial institutions located in jurisdictions that have signed intergovernmental agreements for the implementation of FATCA (“IGAs”) but have not yet brought those IGAs into force.*

Amendments to the Industrial Property Law

Guatemala, as a party to the Paris Convention for the Protection of Industrial Property and as member of the World Trade Organization, is binded to ensure that its national Intellectual Property legislation complies with the protection standards set in the Agreement on Trade Related Aspects of Intellectual Property Rights - TRIPS- and to properly respond to the changes resulting from the industrial development, internacional commerce and new technologies in order to stimulate the intellectual property creativity and trade and industry investments.

The **Association Agreement between the European Union, its member states and Central America was executed by Guatemala** on June 29, 2012 in Tegucigalpa. This Agreement provides that member states must establish systems for the recognition and protection of geographical indications (and the rights arising from their protection), to agricultural and agroindustrial products such as dairy, meat products, juices, mineral waters, wines, spirits, and coffee, among others.

As a result of such multilateral commitments, the Congress of Guatemala issued Decree 3-2013, which contains 35 amendments to the existing Industrial Property Law. The amendment includes the recognition and protection of geographical indications system through its formal registration and changes to the trademark and patent regulations.

The rules aim to develop technical and administrative procedures for national and foreign Geographical Indications and Designation of Origin applications, and also to develop policies for its use, administration and creation by people appointed for such purposes by the producers themselves or by united intermediaries, stating the requirements that must be fulfilled.

In Trademark matters, the trademark concept was extended and the text was modified to cover other registerable elements such as sounds and odors. The registration application requirements and the form and substance examination procedures of the application were simplified. In accordance with the aforesaid, the trademark registration content was amended.

In Patent matters, a greater legal certainty was given through the setting of a deadline for the Intellectual Property Registry to issue its decision on the patent application. Patent deadline adjustment in case of registration delays is also contemplated.

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