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New greenhouse gas reporting regime sweeps UK

The Department for Environment Food and Rural Affairs has issued a consultation on new regulations requiring the reporting of greenhouse gas (GHG) emissions by UK quoted companies.

The move follows the government's announcement in June 2012 that the regulations would be introduced, following a public consultation last year where a majority of respondents supported making GHG emissions reporting mandatory.

DEFRA has confirmed that the Greenhouse Gas Emissions (Directors' Reports) Regulations 2013 will apply to quoted companies within the meaning given in section 385(2) of the Companies Act 2006. This means that the regulations will affect all companies that are UK incorporated and whose equity share capital is (i) officially listed by the UKLA (i.e. on the Main Market of the London Stock Exchange); (ii) officially listed in an EEA State; or (iii) admitted to dealing on the New York Stock Exchange or Nasdaq.

The GHG covered are carbon dioxide, methane, hydrofluorocarbons, nitrous oxide, perfluorocarbons and sulphur hexafluoride.

The Regulations specifically require quoted companies to report on GHG emissions from the following activities undertaken: the combustion of fuel in any premises, machinery or equipment operated, owned or controlled by the company; the use of any means of transport, machinery or equipment operated, owned or controlled by the company; and the operation or control of any manufacturing process undertaken by

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European governments reach agreement on US tax compliance laws

The governments of the UK, France, Germany, Italy, Spain and the US, have issued a 'model agreement' setting out a framework by which the countries are to implement the US Foreign Account Tax Compliance Act.

The FATCA is aimed at preventing tax evasion by US residents using foreign accounts. It introduces reporting requirements for foreign financial institutions with respect to accounts held by US residents. Institutions which do not collect and report this information can be subject to a 30% 'withholding tax' on their own US source income and sales proceeds.

The new reporting and withholding regime will impact current account opening processes, transaction processing systems and 'know your customer' procedures used by foreign banks.

The regime will require chief Compliance Officers to evaluate the potential impact of the rules and develop a plan for managing and remediating any potential risks associated with FATCA non-compliance.

The UK government has said that the model agreement is intended to ensure that the burdens imposed on financial insti-

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