

FINANCIAL INFORMATION FORUM

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Via Electronic Delivery

November 27, 2013

Emily McMahon
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United States Department of the Treasury
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Re: Request for Additional Extension of the Foreign Account Tax Compliance Act (FATCA) Phased Timeline

Dear Ladies and Gentlemen:

The Financial Information Forum (FIF)¹, on behalf of the FIF FATCA Working Group (“Working Group”), would like to take this opportunity to provide additional feedback to the Department of the Treasury (“Treasury”) and the Internal Revenue Service (“IRS”) in support of the Joint Trade Associations’ request² for an additional extension of the FATCA implementation timeline. FIF appreciates the timeline extension already provided to the industry as documented in Notice 2013-43, I.R.B. 2013-31 (July 29, 2013) (“the Notice”). The Working Group would like to emphasize the implementation and operational

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the financial technology industry across the order lifecycle. Our [participants](#) include trading and back office service bureaus, broker-dealers, market data vendors and exchanges. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes. The FIF FATCA Working Group includes broker-dealers, service bureaus and other vendors responsible for implementing the FATCA regulations.

² American Bankers Association, The Clearing House Association L.L.C., Institute of International Bankers, and the Securities Industry and Financial Markets Association letter to Ms. Emily McMahon, et. al., November 18, 2013, re: Request for Additional Extension of the FATCA Phased Timeline (“the Joint Trade Associations’ request”).

considerations outlined in the Joint Trade Associations' request for an extension to the FATCA implementation schedule.

Synchronization of the Final Chapter 4 regulations, final FFI agreement, final forms and instructions, amended QI, WFP and WFT agreements with the rules under Chapters 3, 4, and 61 of the Code (collectively, the "Final Guidance") is essential before implementation can begin. For all of the Working Group's members, FATCA represents a large enterprise-wide initiative, and as such, requires significant coordination, development, test and integration across internal and external systems, including onboarding and withholding systems, with adequate time needed for vendors to rollout software changes to clients. These efforts, along with function, interface and regression testing are costly and time-consuming and cannot be completed without the Final Guidance. In addition, associated internal written procedures must be compiled by each firm, along with extensive hiring and training of personnel, including operations staff, sales and customer service representatives before final implementation. At a minimum, the development effort described above would take twelve (12) months to complete to ensure a high quality implementation.

The Joint Trade Associations' request for additional extension to the FATCA implementation timeline to January 1, 2015 assumed that the Final Guidance would be available on December 31, 2013. The Working Group would like to qualify that the implementation target should be twelve (12) months following final comment inclusion and availability of the Final Guidance.

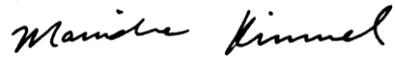
Similarly, global financial institutions doing business in IGA jurisdictions (up to 80 jurisdictions) must incorporate varying IGA requirements into their internal written business procedures. The Working Group would like to qualify that the implementation target for FFI registrations should be twelve (12) months following a signed IGA agreement within each jurisdiction supported by that firm.

Lastly, the Working Group supports the Joint Trade Associations' recommendation that information reporting and withholding systems changes have effective dates based on the calendar year to avoid complications with split reporting when rules change mid-year.

Given the current July 1, 2014 mandatory implementation date of FATCA, firms are actively preparing, as best they can, for FATCA compliance. However, given the current status of Final Guidance and IGAs, the Working Group does not believe the current implementation dates can be met. We respectfully request Treasury and the IRS to consider the recommendations of the Joint Trade Associations and FIF, and provide the additional extension to the FATCA implementation timeline. Additionally, the industry is anxiously awaiting guidance from the IRS with respect to the interpretation of material modifications for debt instruments.

Please refer to our letter dated June 21, 2013³ for a detailed discussion of the material modification issue.

Regards,



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Financial Information Forum
On behalf of the FIF FATCA Working Group

cc: Daniel I. Werfel
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³ [FIF FATCA Working Group letter to John Sweeney, Re: Comments on Final Regulations \[RIN-1545-BK68\], dated June 21, 2013](#)