

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

Challenge

The Foreign Account Tax Compliance Act (FATCA) was signed into US law in March 2010 and has significant impact on Foreign Financial Institutions (FFI). FFIs include, **banks, credit unions, building societies, financial intermediaries, brokers, investment companies and fund structures** and the scale is estimated at between 50,000 to 100,000 institutions. It requires FFIs to enter into an agreement with the Inland Revenue Service (IRS) and provide details relating to US citizens that hold accounts or investments with them.

Rising to the Challenge

Becoming FATCA compliant will require FFIs to conduct in-depth research and analysis of business options balanced against technical capability and closely managed inter-departmental impacts.

Failing to do so **by 2013** will result in **a 30% withholding tax being imposed on the FFIs or their customers**; on payments or receipts of source income, dividends or interest.

How we Assist

IS Options is extremely well qualified to assist financial institutions to achieve compliance simply and effectively, as we have a wealth of experience in managing banking compliance and business change projects. Our proven approach to change is focused on ensuring a seamless and pain free process.

FATCA requires the annual electronic reporting to IRS of account details relating to US citizens, including those with holdings in companies or trusts, and ability to respond to IRS queries. The following high level steps are required for compliance by all FFIs to ensure that no sanctions are imposed.

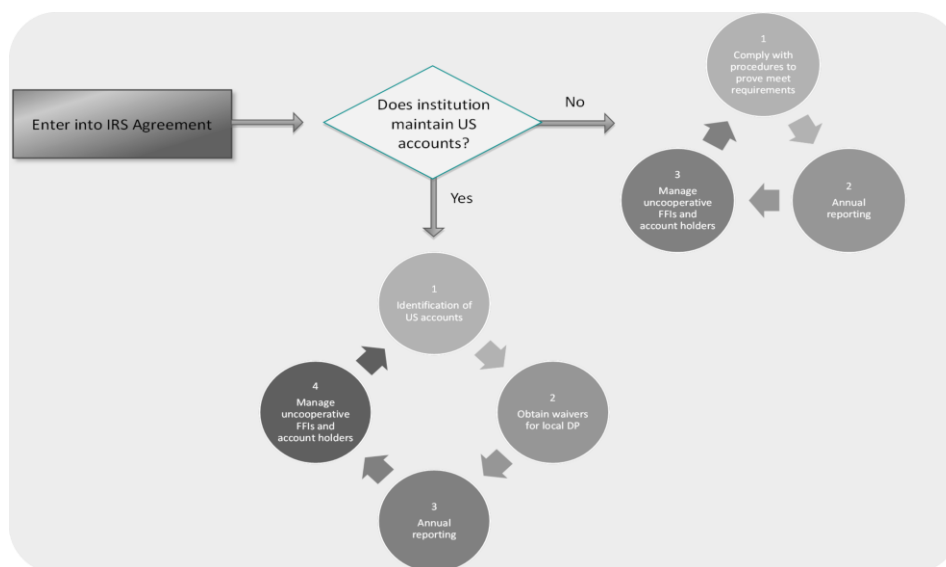


Figure 1- High level FATCA Steps



IS Options will assist your institution through detailed understanding and expert analysis, design, planning, execution, vendor management and testing of the project. We have researched the legislative requirements and can quickly apply these to your organisation ensuring the least disruption and change to existing operations.

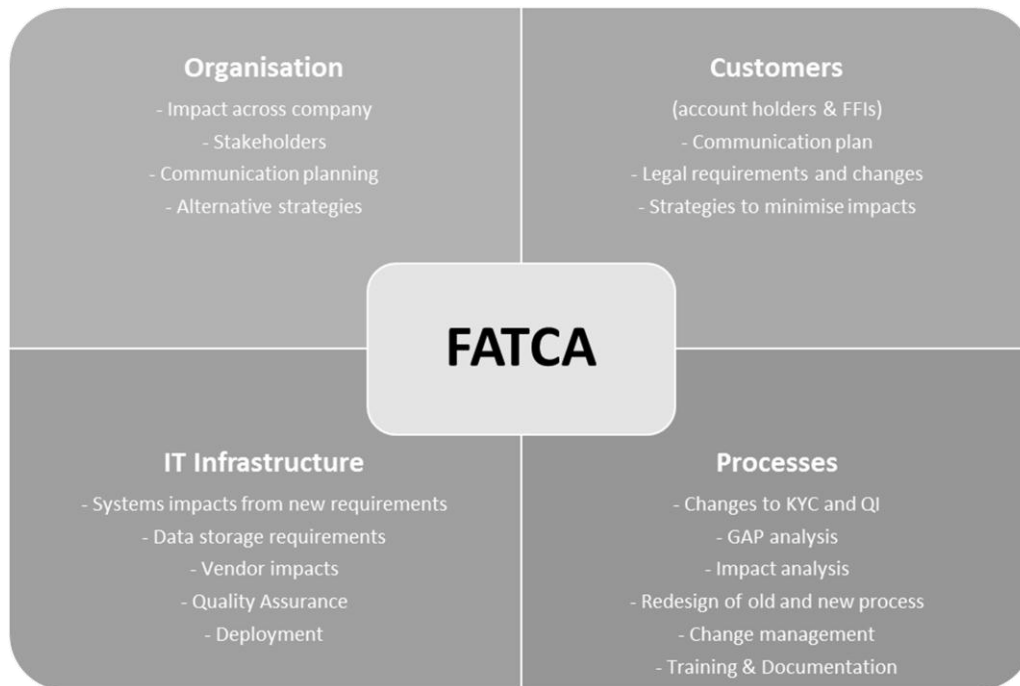


Figure 2- High level Analysis Considerations

Benefits

IS Options are specialists in banking technology, compliance and business change. Our consultants are deeply involved in compliance projects of this nature, and are experts in the design, setup and management of major programmes and projects. Our consultants recently led and performed large scale business change programmes at Danske Bank, Lombard Asset & Finance and the Department of Social Protection Accounts Branch.

Over the last 20 years our consultants have worked on some of the largest and most cutting edge banking initiatives, across the globe and can offer insight and experience that is extremely difficult to find within one organisation. We can deploy the experts to bridge the gap between your available resources, solution needs and vendors, to ensure the successful, quality and efficient deployment of the FATCA Requirements.

Our engagement strategy is always to ensure professional and successful delivery through expert personnel whilst following our in-house systematic and proven project approach.