

**MEMO# 26046**

April 16, 2012

## **Draft ICI Submission on Proposed FATCA Regulations; Call to Discuss Scheduled for Wednesday, April 25**

[26046]

April 16, 2012

TO: TAX COMMITTEE No. 20-12  
INTERNATIONAL COMMITTEE No. 12-12  
INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 8-12  
TRANSFER AGENT ADVISORY COMMITTEE No. 21-12  
BROKER/DEALER ADVISORY COMMITTEE No. 17-12  
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 6-12 RE: DRAFT ICI SUBMISSION ON PROPOSED FATCA REGULATIONS; CALL TO DISCUSS SCHEDULED FOR WEDNESDAY, APRIL 25

Attached for your review is a draft ICI submission on Proposed Regulations issued by the IRS on February 8 [\[1\]](#) to implement the Foreign Account Tax Compliance Act ("FATCA"). [\[2\]](#) The IRS has requested that all comments on the Proposed Regulations be filed by Monday, April 30.

The draft ICI submission focuses exclusively on issues that affect U.S. funds. [\[3\]](#) Specifically, the submission:

- urges that a U.S. fund be permitted to treat a distribution as having a U.S. source only to the extent that the payment is attributable to income received from a U.S. source;
- suggests several changes to the documentation rules that will enhance administrability without diminishing compliance;
- offers a few suggestions for improving further the many positive changes made by the Proposed Regulations in the treatment of retirement accounts; and
- suggests additional transition relief.

A conference call to discuss the draft comment letter will be held on Wednesday, April 25, at 2:00 p.m. (Eastern). The call-in number will be 888-790-3107 and the participant

passcode will be 2459500. If you plan to attend the call, please RSVP to Ezella Wynn at [ewynn@ici.org](mailto:ewynn@ici.org).

Comments on the draft submission also may be provided to the undersigned by e-mail (to [lawson@ici.org](mailto:lawson@ici.org)) or by telephone (at 202/326-5832). Please provide all comments by April 25 so that the submission may be filed by the April 30 deadline. Thank you.

Keith Lawson  
Senior Counsel - Tax Law

#### [Attachment](#)

#### **endnotes**

[1] See Institute Memorandum # [25897](#), dated February 14, 2012.

[2] See Institute Memorandum # [24186](#), dated March 17, 2010. FATCA is the acronym for “Foreign Account Tax Compliance Act,” which was an earlier version of the Chapter 4 withholding regime enacted as part of the HIRE Act. FATCA will impose new customer identification, reporting, and withholding responsibility on financial institutions that have direct or indirect investments or activities in the United States and are not otherwise exempted from the requirements.

[3] ICI Global will file a separate submission on issues that affect non-U.S. funds.