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Banking and Asset Management Advisory: FATCA Industry Solution

November 20011

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Market Feedback

FATCA Industry Solution Concept

What does FATCA mean?

Next Steps

Typical Concerns

- **Resistance to invest** when regulatory detail and transition reliefs (carve outs) risk wasted effort & costs
- **Process Change & FATCA Leads in limbo** as decisions **MUST** be made to hit hard deadlines
- **Sizing the Risk** – providing a Total Risk Assessment is challenging as too many unknowns
- **Adopting a unified approach** when customer proximity varies with different Business Models

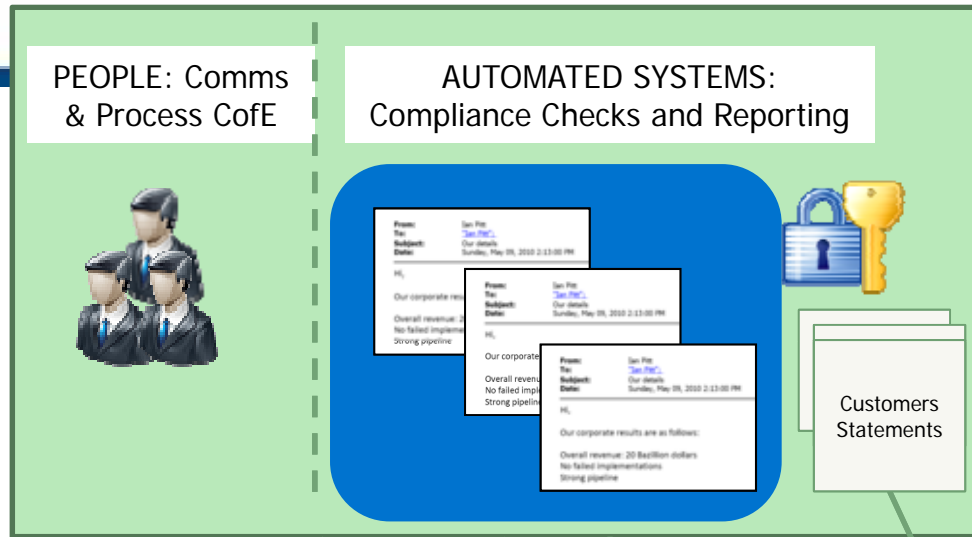
Solutions & Responses

- Excellent whitepapers & coherent slide-ware
- Good progress in: defining Compliance Strategy and Operating Models
- Need to define HOW to implement at a process and task level
- Call for **innovative SOLUTIONS** from practitioners aligned to **effective COMMUNICATIONS**

- Why update all our systems & administrator systems [with associated monitoring, certification, indemnities] when...
 - Rules will change [both FATCA and FATCA-like]
 - A 'Gold Standard' industry solution may emerge
- MUST have solution which is cost effective and lowers the barriers to entry along the value chain
- Need answers – Scope / Cost / Availability

The FATCA Compliance Hub

Industry Solution Scope



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SO...

- **GOVERNANCE** is enforced quickly & easily enabling early Best Practice 'ripple'
- **COMMUNICATION** is centralised and simplified (avoiding duplicated effort)
- **PARTICIPATION** is broad based benefiting from affordable, easy to use systems and access to informed specialists

Process Change & Automation Specialists bringing...

- **METHOD** to simplify complex problems & enable BUSINESS (Operations, Tax, Risk & Compliance etc) to describe the process ready for automation
- **BOLT-ON** to leverage existing BPMS investment (approved by all the major vendors)
- **GOOD PEOPLE** to augment internal teams led by Ian Ramsay – industry recognised process expert
- **BEST PRACTICE GUIDE** enabling downstream partners (distributors, platform providers etc) to implement and certify FATCA compliance

SO...

- Define Operational detail (tasks, triggers, events) in manageable chunks
- Faster Take On without 'one size fits all' service
- Low Risk & Low Cost: software demonstrable today & leverages existing BPMS investment
- Access to specialists supporting internal and external partner needs
- Early self-sufficiency and model for other 'Foreign Account' needs

Proven, Secure Exchange

- **SINGLE, SECURE**, location for internal and external parties (IRS, Customer, Customer Advisors) to easily access & exchange information
- **PROVEN FUNCTIONALITY** approved by the IRS, used by all the major Legal Practices for M&A and 50+ Global Banks to store non-public domain data
- **PREFERENTIAL PRICING** pre-negotiated
- **AVOIDED COMMUNICATION COSTS** through centralised administration within The FATCA Compliance Hub

SO...

- **NEVER** lose control of your customer data
- **Customer** can validate compliance position across all holdings (& comment)
- **Advisor** has **one place** for easy, accurate, SCV
- **IRS** can search on meta-data (NI Number)
- **Industry Hub** a better, more secure, solution for FATCA and FATCA-like standards

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Next Steps

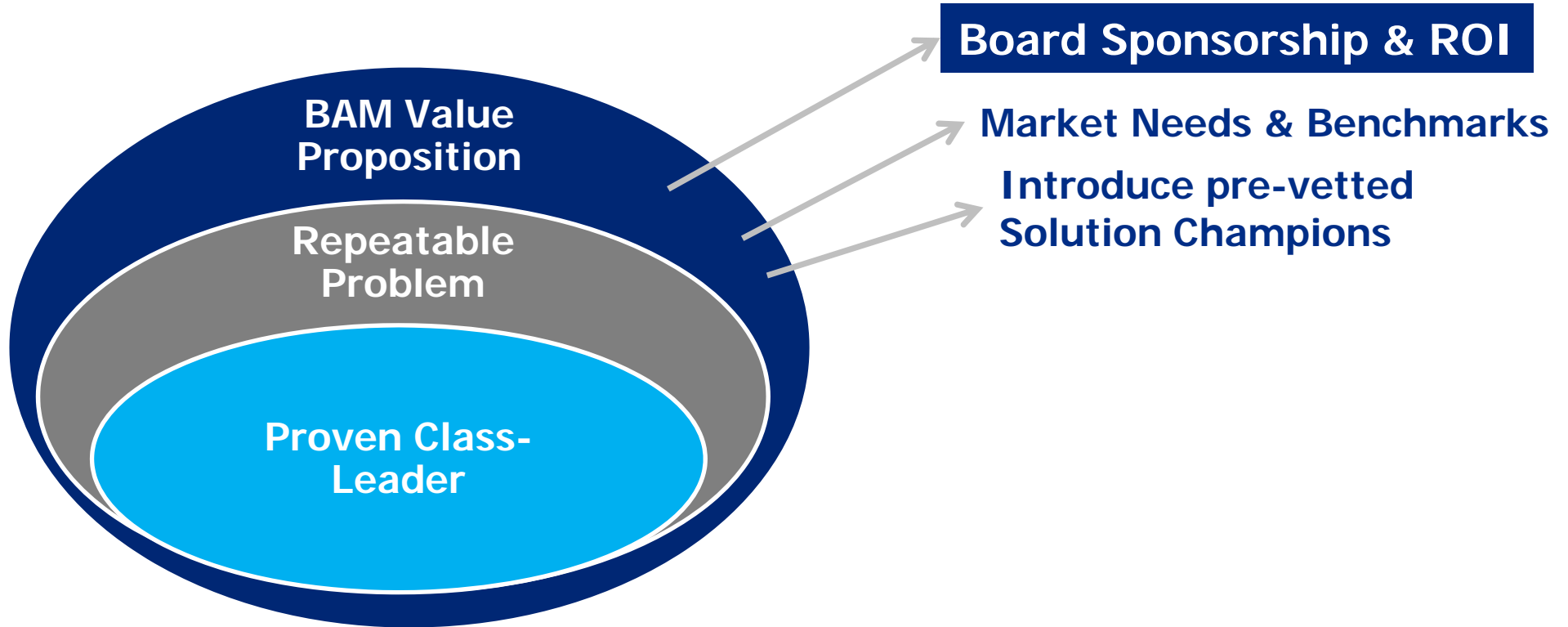


- The FATCA Compliance Hub LTD. incorporated
- Partners ready to mobilise

- Increase awareness through FATCA Survey
- Simple POC [4-6 weeks duration]
 - Get to detail [cost neutral for industry leads]
- Executive Briefings
 - Survey Feedback & POC Learnings
 - Answer key questions by end of Q1 2012: cost; when; scope

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Promote INNOVATIVE responses to Board-level Challenges



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Coming Soon...

BAMadvisory

- The **Gold Standard** in **Automated Post-Trade Management** for Securities and Treasury Trading
 - The Case for World-Class Performance
 - Survey and Benchmarks
 - Best of Breed solution with costs diluted x-industry

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