

October 12, 2017

John Sweeney  
Office of Associate (Chief Counsel), International  
Internal Revenue Service  
Branch Chief, Branch 8  
1111 Constitutional Avenue, NW  
Washington, DC 20224  
[john.j.sweeney@irsounsel.treas.gov](mailto:john.j.sweeney@irsounsel.treas.gov)

Marjorie Rollinson  
Associate Chief Counsel, International  
Internal Revenue Service  
1111 Constitutional Avenue, NW  
Washington, DC 20224  
[marjorie.a.rollinson@irsounsel.treas.gov](mailto:marjorie.a.rollinson@irsounsel.treas.gov)

Leni Perkins  
Attorney-Advisor, Branch 8  
Office of the Chief Counsel (International)  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224  
[leni.c.perkins@irsounsel.treas.gov](mailto:leni.c.perkins@irsounsel.treas.gov)

***Delivered via email***

***Re: Qualified Intermediary Agreement – Treaty Statement Expiry Date Extension Request***

The Investment Industry Association of Canada (IIAC)<sup>1</sup> is writing on behalf of Canadian Qualified Intermediaries (QIs) to request an extension from the expiry date of January 1, 2019 for treaty statements

---

<sup>1</sup> The Investment Industry Association of Canada is the national association representing the investment industry's position on securities regulation, public policy and industry issues on behalf of 130 IIROC-regulated investment dealer Member firms in the Canadian securities industry. These dealer firms are the key intermediaries in the

that were documented prior to the January 6, 2017 publication of the final and temporary FATCA coordinating regulations under Chapter 3 and Chapter 61 (TD9808)<sup>2</sup>. We request a modest extension from the current January 1, 2019 expiry date to December 31, 2019. We believe the extension will provide QIs with sufficient time to complete the renewals and it will achieve the Internal Revenue Service's (IRS) goal of aligning validity periods.

Canadian QIs support the rationale of having treaty statements expire in order to improve the reliability and accuracy of the claims. An extension will provide QIs with sufficient time to assist the IRS in achieving its goals of ensuring those treaty statements are reliable and accurate. QIs need time to pursue the renewals from existing clients since despite best efforts by QIs, clients do not always respond to the initial request for tax information. QIs are concerned that the response rate for the treaty renewals may be impacted by other recent tax form requirements. Some of our QI members have over 50,000 clients that would be impacted with more than 100,000 different accounts. Other QIs have different structures with introducing brokers and carrying brokers and that division of responsibility can increase the time required as the entity responsible for providing the information is different than the entity with the direct client relationship. There are significant negative implications for the client if the treaty statement is not renewed prior to the expiry date as it may result in withholding on the account. We believe the modest extension is warranted to avoid these negative client experiences.

The IRS also identified the desire to have a "consistent validity period" when outlining the rationale for the treaty statement expiry. This would be achieved if the December 31, 2019 date was granted. QIs would have concurrent expiry periods for both treaty statements and Form W-8BEN-E. This which would improve QI's internal processes. We also believe it could improve the client experience which would hopefully improve response rates.

We appreciate the opportunity to provide you with these comments. If you have any questions with respect to the foregoing, we kindly ask that you contact the undersigned at [awalrath@iiac.ca](mailto:awalrath@iiac.ca) or 416-687-5472.

Sincerely,

*"Adrian Walrath"*

Assistant Director  
Investment Industry Association of Canada

cc: Douglas Poms  
Acting International Tax Counsel  
Treasury Department

Quyen Huynh  
Associate International Tax Counsel  
Treasury Department

---

Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in public and private markets for governments and corporations.

<sup>2</sup> *Regulations Regarding Withholding of Tax on Certain U.S. Source Income Paid to Foreign Persons, Information Reporting and Backup Withholding on Payments Made to Certain U.S. Persons, and Portfolio Interest Treatment*, which were published in the Federal Register on Friday, January 6, 2017 (82 FR 2046):

<https://www.gpo.gov/fdsys/pkg/FR-2017-01-06/pdf/2016-31590.pdf>