

March 16, 2018

*Delivered via email*

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**Re: Responsible Officer Requirements under Chapters 3 and 4**

Dear Sirs and Mesdames:

The IIAC represents 123 IIROC-regulated investment dealer member firms in the Canadian securities industry<sup>1</sup>. IIAC member firms are subject to the *Foreign Account Tax Compliance Act* (“FATCA”) and many are Qualified Intermediaries (“QIs”). The IIAC has been very involved in the policy development and implementation of FATCA and the various QI Agreements. With the Responsible Officer (“RO”)

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<sup>1</sup> The IIAC is the national association representing the investment industry’s position on securities regulation, public policy and industry issues on behalf of our 123 IIROC-regulated investment dealer members in the Canadian securities industry. These dealer firms are the key intermediaries in the Canadian capital markets, accounting for the vast majority of financial advisory services, securities trading and underwriting in the public and private markets for government and corporations. For more information visit, <http://www.iiac.ca>

certification deadlines under Chapters 3 and 4 of Subtitle A of the Internal Revenue Code quickly approaching, we have some outstanding concerns that we believe require further clarification from the Internal Revenue Service (the “IRS”) to enable firms to properly comply with their obligations.

First, IIAC members greatly appreciate the two-month RO certification extensions that the IRS announced on February 22, 2018 for QIs, withholding foreign partnerships (“WFP”) and withholding foreign trusts (“WFT”). However, the announcement stated that the QI/WFP/WFT application and account management system (the “Portal”) will be open to accept QI/WFP/WFT certifications in early April 2018, yet the instructions and the RO certification language was not provided. We believe that the IRS should release this information as soon as possible to allow firms sufficient time to prepare. Many financial institutions have complex organizational structures and are relying on sub-attestations by delegates within their organizations. In order to finalize their RO certification, it is essential to have the instructions and exact certification language, as firms need to ensure that the sub-attestation language appropriately addresses all issues. Without this information, we are concerned that firms may have to redo their work or face onerously compressed timelines to complete their internal reviews and certification process even with the extension.

Further, the February 22, 2018 IRS announcement did not provide any relief with respect to the FATCA RO certification deadline. While the extension provided financial institutions with some relief, a Model 2 foreign financial institution (FFI) and a participating FFI would still have a July 31, 2018 deadline for their FATCA RO certification. A more streamlined approach to the RO Certifications by the IRS would be greatly appreciated by financial institutions that are also currently in the process of providing annual reports to comply with the new international common reporting standards - due May 2018. In order to simplify compliance, avoid duplication of work and provide consistency for financial institutions, we strongly encourage the IRS to align the FATCA RO certification deadlines with the new extended deadlines for QIs, WFP and WFT certifications.

We would finally like to voice our support for the Securities Industry and Financial Markets Association’s (“SIFMA”) January 5, 2018 submission outlining outstanding issues related to the RO certifications<sup>2</sup>. We believe several of SIMFA’s recommendations remain priorities despite the IRS’ February 22, 2018 announcement.

We appreciate the opportunity to provide 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”*  
Adrian Walrath  
Assistant Director  
Investment Industry Association of Canada

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<sup>2</sup> SIFMA January 5, 2018 Submission available at: <https://www.sifma.org/wp-content/uploads/2018/01/Responsible-Officer-Requirements-under-Chapters-3-and-4.pdf>