

# FATCA remediation – are you ready or are you buried in an avalanche?

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## Procrastination is easy when the task at hand appears too difficult to tackle.

A number of US financial institutions (USFIs) and foreign financial institutions (FFIs) have viewed FATCA's preexisting account due diligence requirements with multiple client solicitations and endless validations appearing as challenging as climbing Mt. Everest during a blizzard.

However, financial institutions do not have the luxury of waiting for winter to pass in order to climb this mountain of paperwork. June 30th is the deadline for USFIs FFIs to remediate all preexisting entity account holders with FATCA compliant Form W-8s. With this remediation effort, USFIs and FFIs must reach out to entity account holders, document them with the applicable Form W-8, and validate the corresponding FATCA status. Account holders throwing up their hands in despair once confronted with an eight page Form W-8 do not help the process.

Once all of the documents are collected, financial institutions still have to validate these forms. But the burden doesn't end there – once that's done, there's still ongoing monitoring for changes in circumstances and/or resolicitation efforts when documentation expires.

Whether building solutions in house or manually conducting client outreach, due diligence, remediation and reporting, FATCA is costly and processes are often inefficient for today's resource strapped financial institutions. On top of that, clients are facing regulatory fatigue as they are being asked to provide identical documentation to multiple institutions. Firms should seriously consider using utilities as a compliment to their existing processes to collect, validate, manage, and obtain the necessary documentation to be compliant.

Just as you think you are reaching the mountain's summit, you see the regulatory avalanche coming for the Common Reporting Standard and global automatic exchange of information for bank data. Don't try to climb this mountain alone, rely on the skills and tools of a trusted partner to get you to the top – so you can stay on top.

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