1) **Overall Scope of the Enhancement (should include the Business Reason for the change):**

Require Contract Entity Country of Citizenship and Contract Entity Residence Country field and Entity Address Record for all non-natural owners. This is being requested to support changes that are stemming from Foreign Account Tax Compliance Act (FATCA). FACTA
was enacted in part to combat tax evasion by US persons holding investments in offshore accounts. Under FATCA, certain U.S. taxpayers holding financial assets outside the United States must report those assets to the IRS. In addition, FATCA will require foreign financial institutions to report directly to the IRS certain information about financial accounts held by U.S. taxpayers, or by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

To support these changes at Transamerica we would like to begin requiring domicile data for non-natural entities, confirming the non-natural owners’ country of residence for tax purposes. We feel the Contract Entity Country of Citizenship field would be appropriate. The proposal is to capture this in the Contract Entity Residence Country field on the Entity Address Record.

Transamerica’s plan is to have this required by the end of 2013 for IGO requirements, so we would like this supported by DTCC and the order entry vendors by this time.

2) **Recommended Record Layout Changes:**

Make the Contract Entity Country of Citizenship field (4096) on the 33/17 record for the owner loop mandatory for both Natural and Non-Natural entities.

Require the Entity Address Record (B3319) and require the Contract Entity Residence Country (4114), for all owners, both natural and non-natural entities.

3) **Business Scenario – (Used to determine Best Practices)**

4) **Standard Usage – (Should include specific field/code usage)**

   DTCC-Record: 33/17

   Item #: 4096

   **Field Name:** Contract Entity Country of Citizenship

   **Field Definition:** The country where the Contract Entity holds citizenship.

   **Current Rules:** Required for Owner Role if Natural / Non Natural Indicator = N (Natural)

   **Change Rules:** to require for owner role regardless of Natural/Non Natural Indicator
DTCC Record: 33/19
Item #: 4114

Field Name: Contract Entity Residence Country

Field Definition: The country where the Contract Entity lives.

Current Rules: Entity Address Record is Optional. Contract Entity Residence Country field is only required if Foreign Address Indicator = Y.

Change Rules to require for all owners, regardless of natural or non-natural. Address must be required for all owners. The Contract Entity Residence Country field must be required. If Foreign Address Indicator = Y, then United States should not be allowed as a value.

5) Status Update:

The group felt this field may not be the best place to capture this as citizenship only pertains to a person. Other locations were discussed such as the Entity Address Record however this represents some challenges. Firms are going to take this back internally to determine the impact of this regulation which is scheduled to take effect in January 2014.

ON HOLD – to be discussed again in January

January Meeting – Since it is not clear that other carriers will be requiring this information it was determined that TransAmerica will put an edit into their platform to require address and country of residence of non-natural entities.

NOT APPROVED

Revision History

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