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Date:	June 3, 2014
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To:	ALL AIP MEMBERS
From:	WEALTH MANAGEMENT SERVICES – ALTERNATIVE INVESTMENT PRODUCT SERVICES
Attention:	ALTERNATE INVESTMENT RELATIONS ALTERNATE INVESTMENT OPERATIONS ALTERNATE INVESTMENT CUSTODY
Subject:	FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AIP ENHANCEMENTS

Effective **Thursday, June 26, 2014**, National Securities Clearing Corporation (NSCC) will implement enhancements to the Alternative Investment Product Services (AIP) in connection with implementation of the Foreign Account Tax Compliance Act (FATCA).

In general, FATCA requires foreign financial institutions (FFIs) to report to the Internal Revenue Service (IRS) information about accounts held by U.S. taxpayers or by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

Under FATCA, an FFI or its home jurisdiction must enter into an agreement with the IRS to identify U.S. accounts and report specific identifying information about these accounts and agree to other requirements under FATCA. If FFIs or their home jurisdiction choose not to sign with the IRS, then FATCA calls for a 30 % withholding tax on all U.S. source payments across the board – and that includes interest, dividends and gross proceeds from redemptions, corporate actions and the disposition of U.S. holdings and securities.

We have listed the FATCA-related enhancements below, and have provided a link to the [AIP Data Dictionary 9.0 \(Record Layouts\)](#), which identifies the impacted records, fields and values.

AIP Enhancements

(Mainframe and Web Portal Users)

1. Activity & Distribution

- Add FATCA Withholding Indicator
- Add FATCA Withholding Amount
- FATCA Withholding Rate

2. Account Registration / Maintenance Enhancements

- Add Chapter 4 Status Code
- Add FATCA Override Special Rate
- Add new values to existing Backup Withholding Indicator field
- Add new values to existing W8 Qualified Intermediary Indicator field
- Add new Global Intermediary Identification Number
- Add new Underlying Client's Foreign Tax ID

3. Order with Registration Enhancements

- Add Chapter 4 Status Code
- Add FATCA Override Special Rate
- Add new values to existing Backup Withholding Indicator field
- Add new values to existing W8 Qualified Intermediary Indicator field
- Add new Global Intermediary Identification Number
- Add new Underlying Client's Foreign Tax ID

Testing

Effective immediately, participants can begin testing the AIP FATCA Enhancements in the PSE environment.

Participants are encouraged to test and must contact Product Management before testing begins for proper setup in the PSE region. The Product Manager should be contacted at least three (3) days prior to testing.

Documentation

The Updated Data Dictionary (Record Layouts) will be available on or about June 3, 2014 on DTCC's Wealth Management Services website located at:

<http://dtcc.com/aip>

The record and field format information provided within this Important Notice is for informational purposes only and does not constitute the final Record Layouts. NSCC reserves the right to make additional changes to the Record Layouts prior to implementation.

Questions and comments regarding this Important Notice may be directed to Michelle McLean at 212-855-2443.

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