

## Ready for FATCA? One in Four Financial Institutions Not Even Aware of Impending US Tax Legislation

**Toronto/London, September 26, 2011** – RBC Dexia Investor Services said today that 26 per cent of financial institutions worldwide have little or no awareness of the Foreign Account Tax Compliance Act (FATCA)—despite the fact that the Act was passed in 2010, according to a survey conducted by the company.

FATCA is the cornerstone of US tax legislation relating to foreign accounts held by US citizens. The intent of FATCA is to capture all potential tax revenue that is payable on the worldwide income of US persons.

Jean-Michel Loehr, Chief, Industry and Government Relations, RBC Dexia Investor Services noted: "The message from this report is with all the FATCA rules and regulations yet to be finalized - including any granted exemptions - financial institutions can only take a measured approach to preparation. The good news is that awareness is gaining traction; the bad news is that the market needs much more clarification before any program can truly be finalized."

The survey noted that European financial institutions appear to be paying much closer attention with 86% of respondents confirming strong levels of FATCA awareness. Larger organizations also see this as an area of focus as 81 per cent of respondents with over USD 1 billion in assets rated some or significant awareness.

Despite a lack of clarity about the full scope and impact of FATCA, survey participants who are aware of FATCA are getting ready for its eventual implementation. A majority, 54 per cent of respondents, classed themselves as moderately to very prepared, while 36 per cent considered themselves moderately prepared. Meanwhile, 21 per cent of overall respondents admitted they were not prepared at all.

Early projections from survey respondents reveal that 85 per cent put the cost of implementing FATCA at USD 1 million or less, with the majority (54 per cent) expecting a bargain expenditure of less than USD 100 thousand. Only 5 per cent of respondents are anticipating expenses over USD 5 million. There were no significant response variations based on region or size of organization.

RBC Dexia's FATCA program was established in 2010 and is led by a cross functional program steering committee. RBC Dexia will continue to track FATCA readiness globally, assess the guidelines as they become available from the United States IRS and Treasury, and develop a series of resources to help clients manage for its implementation.

For a full copy of the report, please go to [www.rbcdexia.com](http://www.rbcdexia.com)

## Methodology

In June 2011, RBC Dexia Investor Services conducted an online poll of financial institutions worldwide to gauge their current level of preparedness for the impending introduction of the FATCA, as well as the expected impacts.

The survey results represent the aggregate responses of 217 financial institutions, market participants and intermediaries with assets ranging from less than USD 100 million to over USD 1 billion.

## About RBC Dexia Investor Services

RBC Dexia Investor Services offers a complete range of investor services to institutions worldwide. Our unique offshore and onshore solutions, combined with the expertise of our 5,500 professionals in 15 markets, help clients grow their business and sustain enhanced performance through efficiency improvements and robust risk management practices.

Equally owned by RBC and Dexia, the company ranks among the world's top 10 global custodians with USD 3.0 trillion in client assets under administration.

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