Building Societies Association

York House
23 Kingsway
London
WC2B 6UJ

Telephone: 020 7520 5900
Fax: 020 7240 5290
www.bsa.org.uk

Our response to HMRC consultation paper, "Implementing the UK-US FATCA agreement"

Introduction

The Building Societies Association represents mutual lenders and deposit takers in the UK including all 47 UK building societies. Mutual lenders and deposit takers have total assets of over £375 billion and, together with their subsidiaries, hold residential mortgages of £245 billion, 20% of the total outstanding in the UK. They hold more than £250 billion of retail deposits, accounting for 22% of all such deposits in the UK. Mutual deposit takers account for 31% of cash ISA balances. They employ approximately 50,000 full and part-time staff and operate through approximately 2,000 branches.

Comment

We should like to take this opportunity to thank HMRC for its help in ensuring that the administrative burden for domestic mutual deposit takers is kept as low as possible. We welcome the way in which officials have been willing to engage with the sector, listen to our concerns and argue our case, even when it is clear that sometimes their opposite numbers have firmly entrenched views.

The intergovernmental agreement represents a major step towards reducing the compliance burden for UK mutuals and other financial institutions. But that burden, lessened as it is, should not be underestimated. Our larger members have already committed substantial resources to managing the requirements and still face considerable challenges in the future. Even smaller building societies may need to commit resources if they wish to become deemed compliant local financial institutions.

It is important to remember that these scarce resources are being deployed in a wholly disproportionate way to identify (and for some members, report) the very low number of legacy UK customers who may have moved to USA or the equally low number of US persons who now live in the UK and have accounts. UK building societies open accounts only for UK resident individuals (or trusts). They are very low risk in FATCA terms as:

- the only non-resident accounts held are for UK residents who have moved abroad since opening their account, and for members of the armed forces.
- non-resident account applications are declined.
- UK income tax is withheld from interest on all individuals' savings accounts, whether UK resident or not.
- information on savings accounts is reported to HMRC.

We broadly support the goals of the US government in enacting FATCA – to ensure that all its citizens, wherever they live, pay their fair share of tax. But we remain concerned that compliance with the act brings huge challenges that appear to be at odds with its objectives.

Executive summary

Much of our comment is driven by the absence of definitive HMRC guidance, which we understand will be published in December. Without this, it is difficult to form a firm view on many areas including:

- details of the process of becoming a deemed compliant local financial institution, and any reporting obligations. At present we are not sure what the benefits of becoming a deemed compliant local financial institution (DCLFI) are, particularly if the DCLFI decides to retain the very few US persons' accounts they may have.
- removal of the restriction on those UK FI mutuals with limited offshore operations becoming a DCLFI, and provision of transitional arrangements for those UK FI mutuals that divest themselves of offshore operations and/or whose offshore operations become subject to a separate IGA *(subject to point 1 above)*.
- explanation of FATCA registration and outline of the process.
- confirmation of self-certification process.
- data format and transmission method requirements. These should be available by Q1 2013 at the latest.

Early sight of the draft FATCA guidance and the opportunity to review and recommend amendments where appropriate would go some way to helping our members.

Q.1. **Are there practical issues with applying the definition of Custodial Institution? If so, what are they and how would they arise? How could these issues be addressed in UK legislation or guidance?**

The consultation paper defines a custodial institution as any entity with at least 20% or more of its gross income attributable to the holding of assets and related financial services for the account of others.

Since this activity does not relate to the main businesses of our members, we do not offer any comment. But we do not believe there are any practical issues with the definition.

Q. 2. Are there concerns that the reference to "similar business", when read in conjunction with other parts of the Agreement, could result in institutions being caught unintentionally? If so, what are they and when would they arise?

We understand that some stakeholders have expressed concern that the reference to "similar business" may widen the scope to institutions which would not normally be regarded as depository institutions eg legal and accountancy firms.

HMRC has worded the definition this way to ensure that the agreement cannot be sidestepped by an institution that accepts deposits but that is not a bank.

It continues that the definition of "depository account" provides greater context to the types of account a depository institution is expected to hold. That definition "includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business." *See also our response to question 4.*

While these definitions are not unclear, we think that the BBA[1]'s recommendation to link "other business" to available permissions under the Financial Services and Markets Act 2000 is worth considering. In the UK, the term "banking" is often used, usually by regulators, to include the business of other deposit acceptors such as building societies and credit unions.

Q.3. Do you agree that it would it be most appropriate for the fund to carry the obligations imposed on financial institutions and for the fund manager or other service provider to carry out the reporting on behalf of the fund? Is there a suitable alternative and if so how could it be provided for?

We believe there should be consistency in application; since deposit takers are responsible for reporting deposit accounts, it seems appropriate for the same principle to be applied to funds.

Q. 4. Are there any other definitions in Article 1 that give rise to uncertainty or raise practical issues which could usefully be clarified in the UK legislation or guidance, and if so how?

Our main comment on Article 1 is a suggestion that a definition of "regularly traded" is included (one is included in the draft FATCA regulations). This should help, for example, those building societies with permanent interest bearing shares confirm that these instruments do not fall under the definition of "financial account".

Article 1(s)(2) of the IGA states that instruments in scope include "any equity or debt interest in the Financial Institution (other than interests that are *regularly traded* on an established securities market)". If PIBS are not explicitly confirmed as part of this excluded "regularly traded" category, (mainly larger) building societies will face real practical difficulties identifying PIBS[2] holders. Societies pay the interest due to a PIBS holder through an issuing and paying agent, which then passes the interest to the clearing house - the only institution with the holders' details. Should the definition for IGA purposes be linked to Schedule 26 Finance Act 2007, specifically paragraph 12(11)(ii), as has been suggested, we do not object. We would propose, however, that PIBS be listed as an example.

On a minor point, the definition of "depository account" contains US terms, "checking" and "thrift" which are commonly interpreted as "current" and "savings" in the UK. HMRC guidance should make this clear if the IGA can not be changed.

We also consider that further guidance on how UK FIs should determine active/ passive status of a non-financial foreign entity should be provided.

[1] See response to HMRC on FATCA implementation at www.bba.org.uk
[2] Permanent interest bearing shares. More information may be found here: www.bsa.org.uk/faq/whatarepibs.htm

We have substantive comments on definitions on Annex II, in particular those relating to financial institutions with local client bases that wish to be treated as deemed compliant[3] ("deemed compliant local financial institution") The second requirement[4] under the UK-US agreement is that the local institution must have no fixed place of business outside the UK. We understand why the US has insisted on this requirement. But we strongly suggest that as soon as practicable HMRC seeks an amendment to enable those UK financial institutions with local client bases that have deposit taking subsidiaries/ branches outside the UK to be eligible to be treated as a DCLFI under certain circumstances. These are:

1. "Fixed place of business" should be interpreted to mean the EU /EEA, not just country of incorporation/organisation **OR**
2. If the jurisdiction in which the deposit taking subsidiary/ branch is located has signed an intergovernmental FATCA agreement with the US, the UK financial institution will be eligible to be treated as a deemed compliant local financial institution.
3. If the UK FI sells or closes its offshore deposit taking operations.
4. To take advantage of any change, the UK FI will have in total no more than four such overseas subsidiaries/ branches. This will allow only UK focused institutions to become deemed compliant local financial institutions.
5. If the UK FI has any accounts held by a US citizen or resident[5], that UK FI will be allowed a minimum of 18 months to close them, should the UK FI decide on becoming a deemed compliant local financial institution that it does not wish to report such accounts.

Should all the mainly mutual institutions listed in paragraph II of Annex II be eligible to apply for deemed compliant local financial institutions if the requirement about offshore operations were lifted as outlined above, we would be interested in helping shape transitional arrangements. These are missing from the consultation. But of course much will depend on what the final reporting requirements for deemed compliant local financial institutions are.

Information on how deemed compliant local financial institutions are able to signal their status to other FIs would be most helpful - they must have some form of identification otherwise they could be labelled a non participating financial institution by a US withholding agent. Will deemed compliant local financial institutions have to register with the IRS? (We were told at the September "town hall" meeting that they may not). If so, will there be a special, fast track route for such local FIs, even given the same code? Given they are *de facto* exempt from FATCA, we feel there should be a quick resolution.

We are pleased to note that deemed compliant local financial institutions may choose to report any relevant accounts rather than close them. There are different views as to what the reporting and accompanying due diligence requirements for these local institutions will entail. Some argue that they will mirror the reporting requirements of UK FIs. Clearly, it is hard to be precise as the guidance is not yet available but we urge HMRC to make any reporting requirements proportionate. Otherwise deemed

[3] Non-Reporting United Kingdom financial institutions that are treated as deemed-compliant FFIs for purposes of section 1471 of the US Internal Revenue Code.
[4] Paragraph II(B)(2)(b) of Annex II.
[5] More accurately, an account provided to a "Specified US Person, a Nonparticipating Financial Institution or any Passive NFFE who has beneficial owners who are US citizens or residents".

compliant local financial institutions that choose to keep open the few relevant accounts they have will be forced to devote substantial resources for a very small number of accounts.   We do not believe that is what HMRC intends.

Q. 5. Are there any classes of product, aside from certain insurance policies or insurance products where it would be appropriate to use a reporting period other than the calendar year and if so why?

Our members would welcome guidance on the business day convention to be followed should 31 December fall on a non-working day.

Q.6. In what circumstances would imposing a UK definition of "other income" include income types not included under FATCA? What would be the best way to address this issue, balancing reporting on a broader category of income with the administrative burdens of separating different types of income?

No comment.

Q. 7. What would be the main concerns, especially for entities new to reporting account information, to take into account when considering whether to specify the data format and method of transmission?

Our members, as deposit takers, already report account information on certain accounts to HMRC. Their concern is that any additional reporting is proportionate, not onerous and builds on current systems and processes. As purely domestic operations, the latter is perhaps more important to them than achieving a consistent approach both in respect of data format and the legislative approach adopted by all FATCA partner countries.

We therefore propose that HMRC should consider alternative, simpler and low cost submission methods such as a paper return – to avoid disproportionate IT investment - or an online e-form for those FIs including deemed compliant local financial institutions, with few accounts to report.

One of our larger members has expressed concern at SET becoming a FATCA requirement. The society undertook a review of SET in relation to section 17 and EUSD reporting this year. It concluded that cost issues and a technical difficulty regarding anti-virus checking make the gateway unattractive and unviable. The society would like to know why HMRC has discounted the use of SFTP. It says that this is a secure file transfer mechanism that it has used to send files to other organisations for a number of years and has not encountered any issues with it. Another suggestion was to continue using CDs. But other societies have not found the same problems with SET though a couple did report some initial difficulty in setting up the gateway. This divergence reinforces our argument that HMRC should consider providing alternative ways of transmitting FATCA data.

We would welcome clarification on one point. If an institution has information on, for example, three separate systems, we assume it will be able to make three separate reports rather than amalgamate into one.   This is currently possible under section 17 reporting in the UK. The issue is important for those institutions which may have part of a business, for example an investment book, managed by another provider. It is equally important for those institutions that have legacy systems from mergers. Such clarification would be in line with the UK/ US agreement's stance on aggregation (see paragraph 4.45 of the consultation) which says it should only be carried out if a financial institution's computerised system can link accounts.

Finally, as FATCA reporting will be new to all UK FIs, we hope that HMRC will take a proportionate and pragmatic approach should an FI fail to meet all its reporting requirements in the early years.

Q.8. By when would you need to know the data format and transmission method in order to be in a position to report in the first half of 2015? Would any transitional measures (such as phasing in the requirements) be useful to allow for any necessary systems changes to take place?

To give our members (here we refer to the larger ones) the best possible chance of complying with the UK/ US agreement's requirements without using a disproportionate amount of resources or being unduly burdensome, we suggest the data format and transmission method should be available in a single set of requirements by Q1 2013 at the very latest. If HMRC is unable to confirm the schema and data fields by that date, it should consider accepting returns from UK FIs later than H1 2015. To further discourage a stampede to the small number of relevant software vendors, we agree that phasing in requirements could be beneficial. This would help, for example, smaller FIs that may not be able to install a reporting solution in the time available.

HMRC must provide the US with the information by 30 September after the end of the calendar year to which the information relates. The only exception is calendar years 2013 and 2014 for which HMRC will provide the information by 30 September 2015. UK financial institutions will have to report the information to HMRC by 31 March after the end of the calendar year. *(We note in the consultation paper that HMRC says this period is needed* inter alia *"to* <u>*check*</u> *and transmit the data to the US." Our impression from the "town hall" meeting in September 2012 was that HMRC did not intend to undertake a significant amount of detailed checking. If the latter is the case, there are grounds to extend the submission period for reporting institutions.)*

We agree that HMRC should split the 2015 reporting deadlines to alleviate the burden of submitting two years' data in the opening period. This would mean data with respect to 2013 is reported to HMRC by 31 March 2015, with the data in respect to 2014 to be reported by 30 June 2015.

Q. 9. Would it be reasonable to restrict the availability of transitional measures to financial institutions which have to report on fewer numbers of accounts? What should the limit on the number of accounts be?

We believe transitional measures should be available to all financial institutions though clearly purely domestic mutual institutions, such as building societies, will have fewer accounts, both in total and in proportion to the whole number of their accounts, to report to HMRC than, for example, multi national or private banks. Allowing mutuals to make use of transitional measures could help reduce their costs due to "last mover advantage".

But we do see the argument that FIs with larger numbers of accounts and other similar HMRC returns such as section 17, section 18, CTF, ISA. JISA etc, would also benefit from transitional provisions or similar relief.

We also support the BBA's proposal for alternative forms of reporting for an institution that has a low number of reportable accounts. As the association points out, the relief offered under section 17 and section 18 of the Taxes Management Act 1970 provides an approach that could be used for such institutions for FATCA reporting purposes.

Q.10. Do you have any concerns regarding the implementation of Article 4 and if so how could they be addressed in UK legislation or guidance?

Article 4 states that if the UK and its financial institutions meet the obligations set out in the agreement then those financial institutions will not be subject to withholding on their US source income. We welcome this statement but would be grateful if HMRC/ the IRS could clarify that US withholding agents will not apply chapter 4 withholding on accounts in IGA countries, unless the recipient is listed as a non participating financial institution.

There seems to be a lack of clarity on registration requirements. We have assumed that the IRS will introduce a worldwide registration process through which it would prescribe a uniform format for identification numbers for all reporting FIs. But we are aware of IRS's capacity issues *(we note this is covered in the BBA paper on registration)*. The situation for deemed compliant local FIs will be slightly different. We understand that these FIs may not have to register with the IRS – but will need to be identified as DCFIs by other FIs (and US withholding agents) in some way. A way round this would be for all UK deemed compliant local FIs to be given the same number through a suitably fast track process.

We note that one way an institution may become a non participating financial institution (NPFI) is being listed as such by the US following "significant non-compliance". We would be interested to know how a UK FI would know an institution was so listed and secondly, what "significant non-compliance" entails.

Q. 11. Does UK legislation need to include provisions regarding a suitable period for repair of any errors where they are spotted by the financial institution or HMRC? Also we would welcome views on any potential difficulties with applying HMRC's existing penalty regimes to non-compliance with the Agreement.

Paragraph 1 of Article 5 addresses minor and administrative errors. Examples could include the reporting of corrupted or data sets incorrectly completed. We note that the intention is to allow the recipient country – for the purpose of this response, the US - to raise concerns directly with the reporting financial institution. Given that any information may then have to resubmitted via HMRC, this could lead to institutions having to adopt cumbersome procedures to right administrative wrongs. A more streamlined solution would be for the US to send all its questions to HMRC – some may well arise from unfamiliarity with UK reporting – and for HMRC to forward to institutions those questions it cannot answer itself. One immediate advantage is that HMRC and UK financial institutions are in the same time zone.

In addition, it would be better security - and data protection-wise for UK institutions - to have questions on reporting from one source only, HMRC. While we recognise that HMRC proposes that reporting UK financial institutions should contact the "competent authority" (ie HMRC) should they be concerned by any enquiries from the

US seeming to go beyond data quality or format issues, we think that presents challenges of its own. How resourced, for example, will HMRC be able to answer these questions from institutions?

We agree that appropriate provisions for repair of errors - whether spotted by the financial institution or HMRC - should be included. Institutions should not face penalties for minor errors, some of which may not be caused by them. Furthermore, it is difficult to specify the period in which a return should be repaired; it depends very much on the nature of the error and the fix needed to repair it. In a few isolated cases, 18 months may not be enough.

We agree with HMRC's general approach on penalties, which is to apply its existing regime should UK financial institutions fail to comply with their reporting obligations. Some indication on what is meant by "*ongoing* or *repeated* failure" would be of help to institutions and probably to HMRC itself. It would go some way to prevent different interpretations. If an FI is making genuine efforts to fix a problem (re)submission, we believe HMRC should not apply any penalties.

Q. 12. **Would it be desirable to have examples of minor and significant non-compliance contained in guidance material?**

We think examples would be helpful to explain the differences between minor and significant non-compliance.

Paragraph 3.51 of the consultation notes that under the agreement there is an 18 month window, from the US notification to HMRC of significant non-compliance, for HMRC and the UK financial institution to resolve any significant non-compliance. If the issue remains unresolved after 18 months the financial institution will become listed as a non-participating financial institution (NPFI).

We believe that this 18-month period would be unreasonable if genuine efforts are being made to resolve the issue. Some issues could conceivably take longer than 18 months to fix. The step of classifying an FI as an NPFI should therefore not be taken if the financial institution is able to explain to HMRC why the problem is taking longer then 18 months to resolve.

Q.13. We think there would be benefits in having a nominated individual undertaking certain compliance responsibilities and providing assurance that the financial institution's obligations have been met. We would welcome thoughts on such a role, and on its potential scope.

FATCA requires financial institutions to have a responsible officer, but the UK/ US agreement does not. We welcome this development. Instead, HMRC has suggested that a "nominated individual" would:

- act as a single point of contact for UK (and US[6]) enquiries.
- ensure that the financial institution registers and meets its ongoing compliance obligations.
- sign off that due diligence has been completed and that all US reportable accounts have been identified and reported.
- not be personally liable for penalties.

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[6] But please see our challenge to financial institutions dealing directly with the US in our comments on question 11.

We agree with this proposal but add that the nominated individual (or financial institution) should also not be personally responsible for any wrongly or unreported US accounts where the US person has provided wrong reportable information or omitted such information.

Q. 14. Do you have any concerns regarding the implementation of Article 5 and if so how could they be addressed in UK legislation or guidance?

Article 5 allows UK financial institutions to use third party service providers (such as independent financial advisers) to meet their FATCA obligations under the agreement. We agree that the ultimate responsibility for complying with the agreement must remain with the UK financial institution. Although it is of less concern to BSA members, we agree with the BBA's suggestion to make clear in HMRC guidance or in legislation that in a chain of institutions the reporting obligation should be placed on the UK FI closest to the customer.

We note that HMRC is still considering how best to deliver the commitment by both parties to ensure that they have appropriate anti avoidance measures in place. Our suggestion is self-certification. It should be up to the judgement of the financial institution how it checks that it, and any third parties on which it depends, has such measures in place.

Q.15. Do you have any concerns regarding the implementation the commitment to require UK financial institutions to obtain and report US TINs and if so how could they be aligned with other data gathering requirements in UK legislation?

UK financial institutions will be required to collect US TINS for pre-existing reportable accounts for 2017 and subsequent years. The US has also made a commitment to introduce provisions requiring its financial institutions to obtain and report the date of birth of an account holder of a UK reportable account *(not the NINO)*, within the same time frame. As HMRC acknowledges in paragraph 3.56, " … there is not an exact match between the data that both parties are providing." That is an understatement – and an inequity. If the US is unable and/or unwilling to provide the UK's NINO, why should UK financial institutions (and presumably, HMRC) go to great trouble and expense to change systems and procedures to collect the US TIN?

We consider a fairer and more proportionate response is for UK financial institutions to be required to make reasonable endeavours only to collect and report US TINs; they should not be required to verify the US TIN. Some international institutions may already collect a US TIN already, purely domestic institutions do not.

Q. 16. We welcome comments on any circumstances where applying the US Regulations provide a less burdensome approach than applying the terms of the Agreement.

Without the final regulations it is, of course, hard to comment. But so far our members have not identified any such circumstances but wish to reiterate that maximum flexibility in applying the agreement and any further reduction of the compliance burden would be welcome. That could include reducing data to be collected, for example, the US TIN *(see above)*, and delaying/ staggering implementation of the reporting requirements.

Q.17. Comments are welcomed on whether the use of the term "value" in relation to specific financial products causes any difficulties for product providers.

We do not believe that the use of "value" may cause difficulties. But we do seek clarity as to the exchange rate to be used for conversion. For the calendar year ended 31 December 2016, Annex 1 appears to stipulate that the exchange rate as at 31 December 2015 should be used. Would it not be better to use the spot rate at the end of the year in question?

Q. 18. Do respondents feel that the ability under an election to choose whether to apply the limits set out in Annex II cause data protection issues? If so could you state why and provide examples?

No comment.

Q. 19. We would welcome comments on the type issues that should be taken into account when considering the format of a similar agreed form. For example with regard to the interaction between financial institutions and third party service providers undertaking the necessary AML or in relation to electronic accounts such as internet banking.

Our members would welcome a UK version of a "W-8 form or similar agreed form" provided that it could be easily understood, reader friendly and accepted online, by fax or e-mail. An overly complex form or one that is incomprehensible to the majority of building society/ mutual lender members would increase the work load for UK mutual financial institutions. This is particularly pertinent if the form is used in connection with the exemptions outlined in Annex II.

Q. 20. We welcome comments with regard to the role of a relationship manager and on how to define this term appropriately for UK institutions.

"High value" accounts are accounts with a balance or value of over $1,000,000 either at 31 December 2013 or at 31 December of any subsequent year. These accounts are subject to an enhanced review and, depending on the capabilities, of the financial institutions electronic databases the review may need to extend to paper records.

Financial institutions must treat any "high value" accounts with a *relationship manager* as a US reportable account where the relationship manager has knowledge that the account holder is a specified US person.

We do not believe there is an industry-wide definition of relationship manager, which may cause problems – there may be different criteria used in the UK. A way forward would be to allow UK FIs to define the individuals and/or roles in the organisation that would be classified as relationship managers, or other equivalent point of contact, for the purposes of annual FATCA relationship manager enquiries (a point made by the BBA). If HMRC did decide to define a relationship manager, we would expect the definition to explicitly exclude financial consultants/ sales advisers who have an ongoing relationship with customers but do not offer them bespoke products that are targeted specifically at high net worth individuals.

Q. 21. We again welcome comments on whether the ability to have such a choice is desirable as well as examples of when and why such a choice might be useful.

We welcome the ability for UK financial institutions to choose whether they apply the thresholds, particularly for pre-existing accounts.

Q. 22. We welcome comments on how respondents see this process impacting on differing operating procedures, particularly regarding any timing issues this will raise and how this process will work where third party service providers are used to carry out the AML process.

Our members' preference is for self certification at account opening to be simple, straightforward and swift. Anything different could have a negative impact on customer service and increase processing times. Assuming that there are no US indicia that contradict the applicant's status, the process should be nothing more than a tickbox on an application form stating, "I am not a US resident for tax purposes and /or a US citizen" or any other alternatives provided in the draft guidance written by UK financial trade bodies. If an application is taken over the phone/ on the internet, the UK FI would then document the self-certification (procedure also set out in draft guidance written by UK financial trade bodies). We would like confirmation that under self-certification, the UK FI should check only against information already held (or relying on the third party provider's check, depending on the circumstances). There would be no need to request additional information.

Members would also like to comment on paragraph 4.30. An FI may choose to report accounts if they have US indicia without subsequently seeking further evidence from the customer. Our members would like HMRC to confirm that the forthcoming legislation will not impose an obligation on an FI to seek clarification of an accountholder's status if the review of a pre-existing account unearths US indicia.

Q.23. We welcome comments on whether institutions would favour the definition of a change of circumstances to be set out only in guidance or also defined in the legislation. What would be the pros and cons of either approach?

We believe that these examples should be in HMRC guidance, rather than in the underlying legislation. This way, minor tweaks can be made, if necessary, easily and rapidly to amend the guidance. The disadvantage is, of course, that there are dangers of divergence with the practices of other IGA signatories.

Like the BBA, we believe that given the greater alignment with, and reliance on, local ALM/ KYC procedures within the IGA, it would be helpful if change of circumstances could be aligned with AML/ KYC change which give rise to an event driven review under customer due diligence guidance.

Q. 24. Does this aggregation process cause any particular difficulties for businesses? For example where systems can link accounts together but don't go as far as totalling up separate balances. How would this affect an entity's ability to undertake the due diligence required?

Further clarification on the aggregation requirements for entity accounts would be welcome. Our larger members sometimes provide accounts to entities across different business lines with different systems, thresholds etc. But they may not have the systems' ability or data to confirm if these entities have accounts in more than one business area. This means they would not be able to aggregate separate balances. To put in systems to aggregate balances across different business lines would be difficult, expensive and time-consuming. It brings no benefits to customers. We therefore suggest that any aggregation is kept voluntary.