



Joseph R. Alexander
Senior Vice President and Senior Counsel
Phone 212.612.9234
joe.alexander@theclearinghouse.org

November 19, 2009

The Honorable Richard E. Neal
Chairman
House Ways and Means Select
Revenue Measures Subcommittee
2208 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick J. Tiberi
Ranking Member
House Ways and Means Select
Revenue Measures Subcommittee
113 Cannon House Office Building
Washington, DC 20515

Re: Comments on Foreign Account Tax Compliance Act of 2009

Dear Chairman Neal and Ranking Member Tiberi:

The Clearing House Association L.L.C. (“The Clearing House”), an association of major commercial banks,¹ welcomes the opportunity to present comments on the Foreign Account Tax Compliance Act of 2009 introduced by the Chairmen of the House Ways and Means and Senate Finance Committees on October 27, 2009 (the “Bill”). We believe a detailed and thoughtful comment letter that represents the views of our members will be the most helpful to you. Therefore, we intend to submit a more detailed comment letter that will express our members’ views and concerns once we have had the opportunity to fully review and discuss these matters. In recognition of the November 19th deadline for submitting written comments to

¹ The members of The Clearing House are: ABN AMRO Bank N.V.; Bank of America, National Association; The Bank of New York Mellon; Citibank, N. A.; Deutsche Bank Trust Company Americas; HSBC Bank USA, National Association; JPMorgan Chase Bank, National Association; UBS AG; U.S. Bank National Association; and Wells Fargo Bank, National Association.

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be included in the record of the November 5th hearing on the Bill we wanted to inform you of the provisions of the Bill upon which we expect to comment, including: (i) the provisions in Section 101 of the Bill that impose a 30% withholding tax on all US-source payments received by a foreign financial institution unless that institution (and each of its foreign affiliates) enters into an agreement with the Treasury Department to report certain customer information; (ii) the provisions in Section 101 of the Bill that require withholding on payments to foreign entities that have not identified their substantial US owners; (iii) the provisions of Section 102 of the Bill, which would repeal the exception to registration for foreign targeted issuances (*i.e.*, the bearer debt provisions); (iv) the provisions of Section 301 that would require a "material advisor" to notify the IRS if they assist a US individual in the direct or indirect acquisition of a foreign entity; (v) the provisions in Sections 201, 202 and 203 of the Bill that relate to newly proposed FBAR-like reporting by holders of foreign assets; and (vi) the provisions in Section 501 of the Bill that would impose a withholding tax on dividend equivalent amounts. Perhaps most importantly we expect to comment on, and suggest several changes to, the effective dates in the Bill as the Bill would impose substantial new reporting requirements that would take substantially more time to implement than the current effective dates contemplate. We expect that our comments will include suggestions that further the policies espoused by the Bill's sponsors while minimizing the burdens that would be placed upon financial institutions and others by the Bill as currently drafted.

We would also like to express our concurrence and support of the views set forth in the November 19, 2009 letter sent to you by Securities Industry and Financial Markets Association.

We appreciate your consideration of these comments and those to be set forth in our upcoming letter. If you have any questions or if the members of The Clearing House can assist you in considering these important issues, please contact me at (212) 612-9234.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph R. Alvarez", followed by a horizontal flourish.

JRA:kp