

Subject: FW: EU and US - input on regulatory issues for possible future trade agreement

To Whom it May Concern,

Through our membership in the British American Business Association, we were asked to provide input on how to remove business barriers by promoting greater transatlantic regulatory compatibility. As such, we wanted to provide some insight into current regulatory barriers that we face in our own industry. Our firm specializes in serving the tax and financial needs of individuals with international financial interests.

With the implementation of the FATCA legislation and similar law in other countries, it has become increasingly difficult for the millions of U.S. citizens living abroad to find financial institutions that will hold their financial accounts and provide the financial planning and investment advice that they need. Additionally, many U.S. financial institutions located in the U.S. are unwilling to hold U.S. citizen financial accounts for those with addresses outside of the U.S. for fear of violating securities laws in those overseas jurisdictions while non-U.S. financial institutions are increasingly unwilling to hold financial accounts for U.S. citizens because of the onerous FATCA requirements and SEC Investment Advisory registration requirements. The U.S. citizens living in the EU are left without resources in this important area.

While non-U.S. advisors can more easily register with the SEC than U.S. advisors can register outside the U.S., many non-U.S. custodians do not want to hold the assets of U.S. citizens because of the onerous FATCA administrative burdens. Alternatively, in order for a firm outside of the UK to provide financial advice to a US citizen living in the UK, the advisor has to be FSA registered. But, unlike the SEC, to be FSA registered an advisor must have a physical place of business within the UK. Therefore, the regulatory costs for firms that are located in the U.S. but serve U.S. clients outside of the U.S. are much higher than for non-U.S. firms registering with the SEC. As a result, the services these people can access are limited and are usually only through the largest brokerage firms who are not inclined to provide a personalized service.

As a U.S. SEC registered advisor who has expertise in providing financial advice to U.S. individuals with multi-jurisdictional financial interests, we have found that there is a high cost barrier associated with being able to truly serve these U.S. citizens living outside of the U.S. And, there is a greater need than ever for these individuals to be able to access good service providers. While there are exemptions in place for being an overseas person, we have found that this exemption is very limited and would not allow us to conduct business with the U.S. person living outside the U.S. in a very suitable manner.

We would welcome discussion on how to prevent only the largest financial institutions from being a player in this space due to the regulatory costs and would like to explore how a mid-sized firm can strategically provide these services to those U.S. citizens living in the EU in an cost effective and compliant manner.

Best Regards,
Andrea Solana

Andrea Solana
Manager, Financial Advisory
Chief Compliance Officer
WOLF GROUP CAPITAL ADVISORS

TEL 703-502-9500 (ext. 115)
FAX 703-502-3970

asolana@thewolfgroup.com
www.thewolfgroup.com

4401 Fair Lakes Court, Suite 310 | Fairfax, VA 22033
1875 I Street NW, Suite 500 | Washington, DC 20006

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