

Customer Tax Operations and Reporting

January 2017



What's happening in the market?

Given the increased scrutiny on tax matters, now more than ever is the time to ensure compliance with US and international customer tax reporting regimes.

European companies are responding to increased customer tax regulation globally and continue to be impacted by US tax issues related to withholding and information reporting.

The risks associated with failing to meet your customer tax operations and reporting requirements, and your US tax obligations may have adverse consequences on customer experience, market reputation, and ultimately your bottom line.

Considerations

- ▶ FATCA operational since 1 July 2014 with annual reporting and monitoring requirements
- ▶ CRS operational since 1 January 2016 with vast operational and annual reporting requirements
- ▶ US tax information reporting and withholding requirements are expanding
- ▶ Uncertainty and recent changes in US tax legislation

Tax reporting and compliance

- ▶ Understanding the array of obligations and expectations is critical
- ▶ Complying with FATCA, CRS, QI/QDD, 871(m), PFIC reporting, withholding tax documentation and reporting, information filings, and the myriad other global reporting requirements has many complexities
- ▶ A keen focus on implementing operations and maintaining regular health checks on the overall compliance program is key to mitigate risk and exposure and avoid unnecessary costs and resource-consuming remediation projects



How can we help?

FATCA

- ▶ Advise on FATCA compliance.
- ▶ Assist with customer communication strategy and internal training workshops
- ▶ Customer classification review
- ▶ Conduct periodic compliance health check
- ▶ Assist with reporting requirements

US QI and QDD

- US Qualified Intermediary and Qualified Derivatives Dealer (QDD):
- ▶ Determine Responsible officer obligations
 - ▶ Assist with IRS certification
 - ▶ Assist with creating consolidated compliance program
 - ▶ Assist with periodic internal audits

CRS

- ▶ Development of technical and functional requirements
- ▶ Operational compliance health checks
- ▶ Provide training
- ▶ Due diligence review assistance and review of reportable designations
- ▶ Customer comms/self-certification reviews

871(m)

- ▶ Product review and scoping
- ▶ Assist with understanding the impact to operational flows
- ▶ Readiness assessment
- ▶ Technical and functional requirement design
- ▶ Assistance with implementation

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- ▶ Assist with determining withholding agent status and the consequential responsibilities
- ▶ Help design procedures for compliance with documentation, withholding, deposit and information reporting
- ▶ W Form review and preparation

PFIC Reporting

- Passive Financial Investment Company (PFIC) Reporting:
- ▶ Anticipate and prepare investor reporting (e.g., PFIC statements)
 - ▶ Determine if an entity is a PFIC

Get in touch



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