

**Global Information Exchange**  
FATCA Reporting Offering

# The information exchange landscape

Coming years will see increasing global transparency of account holder information requiring global scalable solutions



## OECD CRS

2017 onward

- Global initiative led by OECD to increase tax transparency
- Global network of agreements between 100+ jurisdictions
- Accounts in reportable jurisdictions to be generally reported on an annual basis to local governments

## UK-CDOT

2016 onward

- UK accounts in Crown Dependencies (CDs) and Overseas Territories (OTs) - Cayman Islands, Guernsey, Jersey, Isle of Man, Bermuda, BVI, Anguilla, Turks and Caicos, Montserrat and Gibraltar - reported to local competent authority.

## US FATCA

2015 onward

- US accounts in non-US Financial Institutions ("FIs") reported to IRS; or
- To local authority under an Intergovernmental Agreement ("IGA")



## Increasing number of practical challenges

- Filing multiple returns covering reportable accounts
- Managing relationships with multiple authorities and complying with data privacy laws
- Ensuring reports are filed in respect of all FIs and in the correct format

# Reporting requirements

The deadlines for reporting are imminent and the information to be reported is broad. Organizations need to plan now.

- The regulations require a mixture of client information and financial data. Reporting requirements will continue to increase after the first deadline
- Information on reportable individuals and entities will be submitted annually including name, address, TIN, account value and gross amounts paid or credited to the account
- The information to be reported by organizations is much broader than other current reporting requirements
- Reporting may be made via a local tax authority or direct to counterparty jurisdictions depending on the local legislation in force
- Local legislation and guidance will lead to variations in the date and format for reporting; generally, the timeline will be as follows:

## **March—September 2016**

Reporting for US FATCA on Tax Year 2015

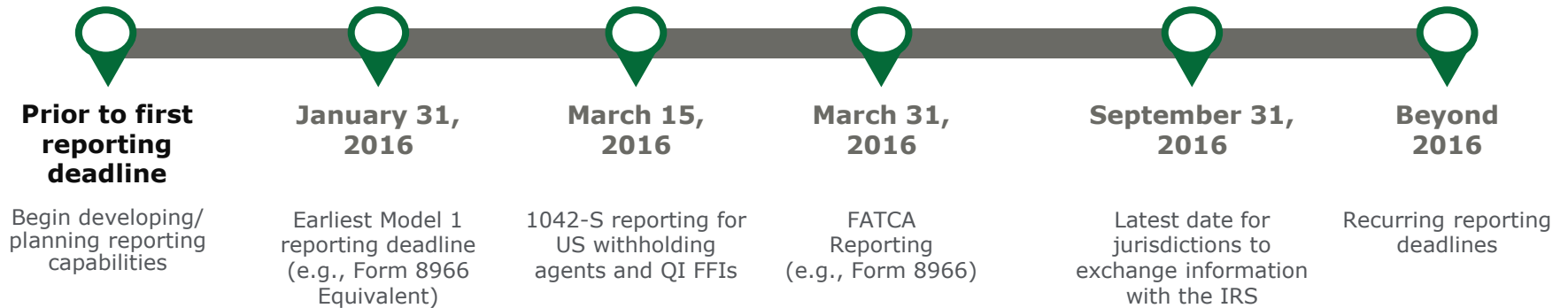
## **May—June 2016**

First annual reporting for UK-CDOT on Tax Years 2014 and 2015

## **2017**

First annual reporting for CRS

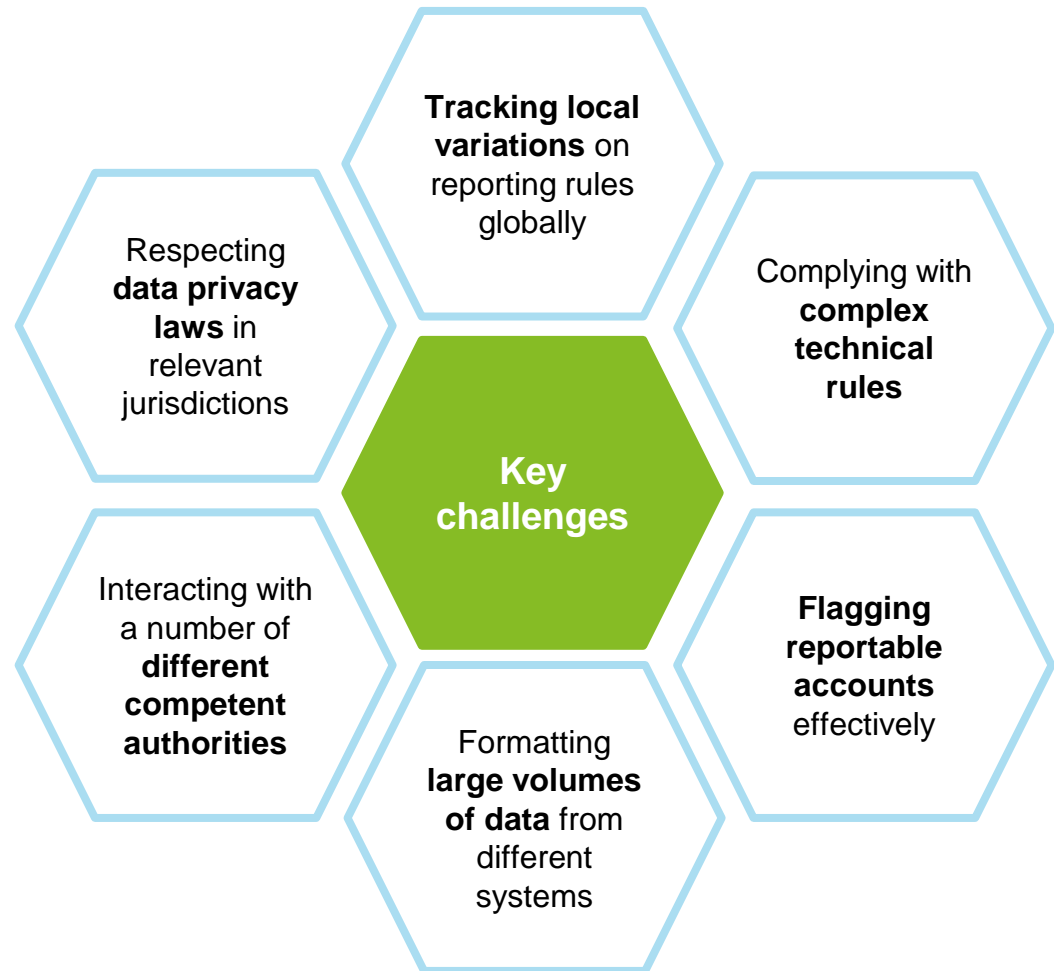
# Upcoming FATCA Dates



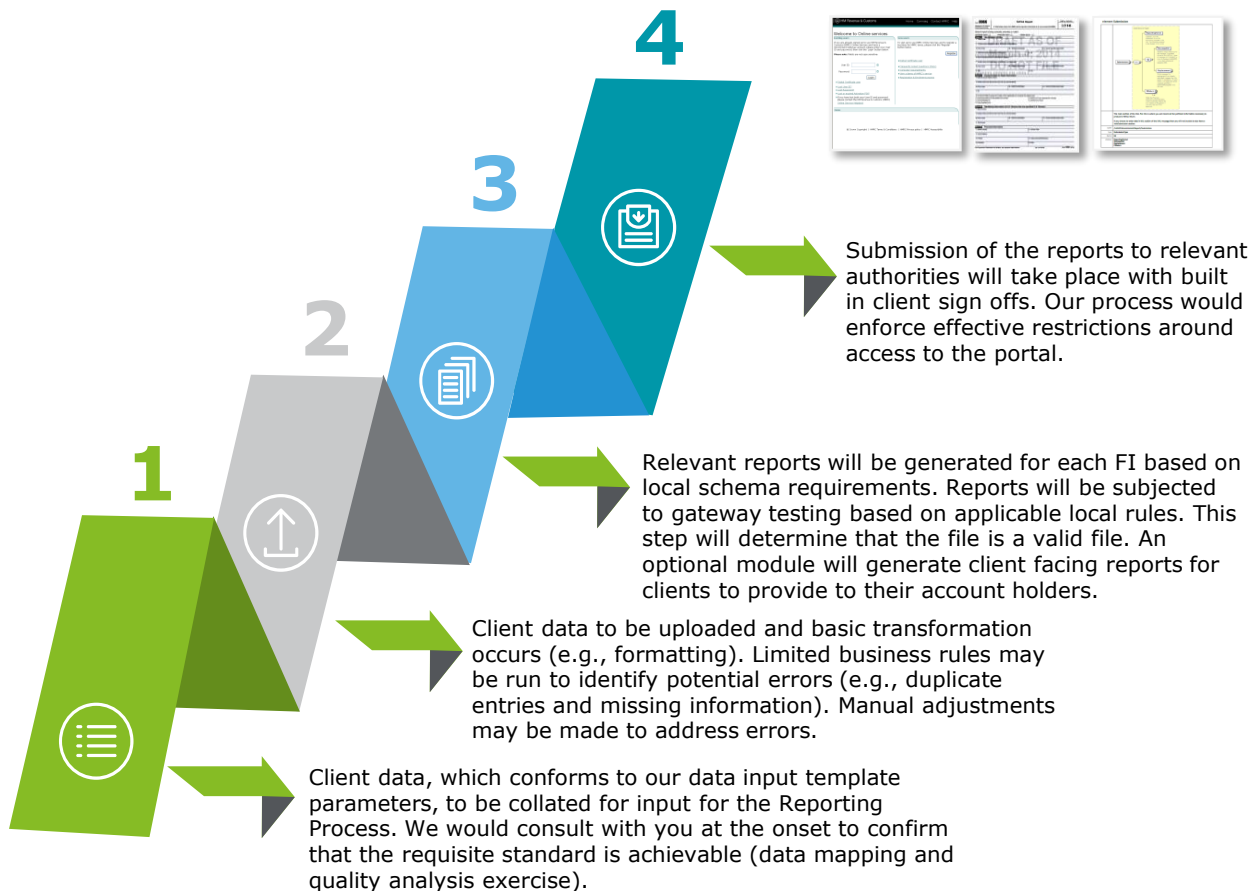
# Key challenges

There are a number of challenges to Financial Institutions complying with the reporting requirements in a timely manner

- Requirements continue to **rapidly evolve** and managing changes across jurisdictions is difficult
- The rules **impact a large volume of entities** previously untouched by similar reporting
- **Local requirements may vary widely** based on guidance issued in the relevant jurisdiction
- Implementing a **solution will require time** in order to be in compliance with requirements for 2016



# Reporting process



**A process, which will include the use of tools to generate and submit compliant xml reports to relevant tax authorities within the required regulatory timeline**

- Reporting process will focus on current guidance, and rules will be updated regularly as foreign jurisdictions release additional information
- Data transformation capability will allow client data to be uploaded from multiple formats
- Validation process to identify data errors and confirm the validity of reports in advance of submission
- Embedded controls and security functionality to authenticate users and restrict access

# Our approach

Deloitte has developed a flexible approach to assist you in implementing a reporting solution to address current and future requirements

## Initiation Phase

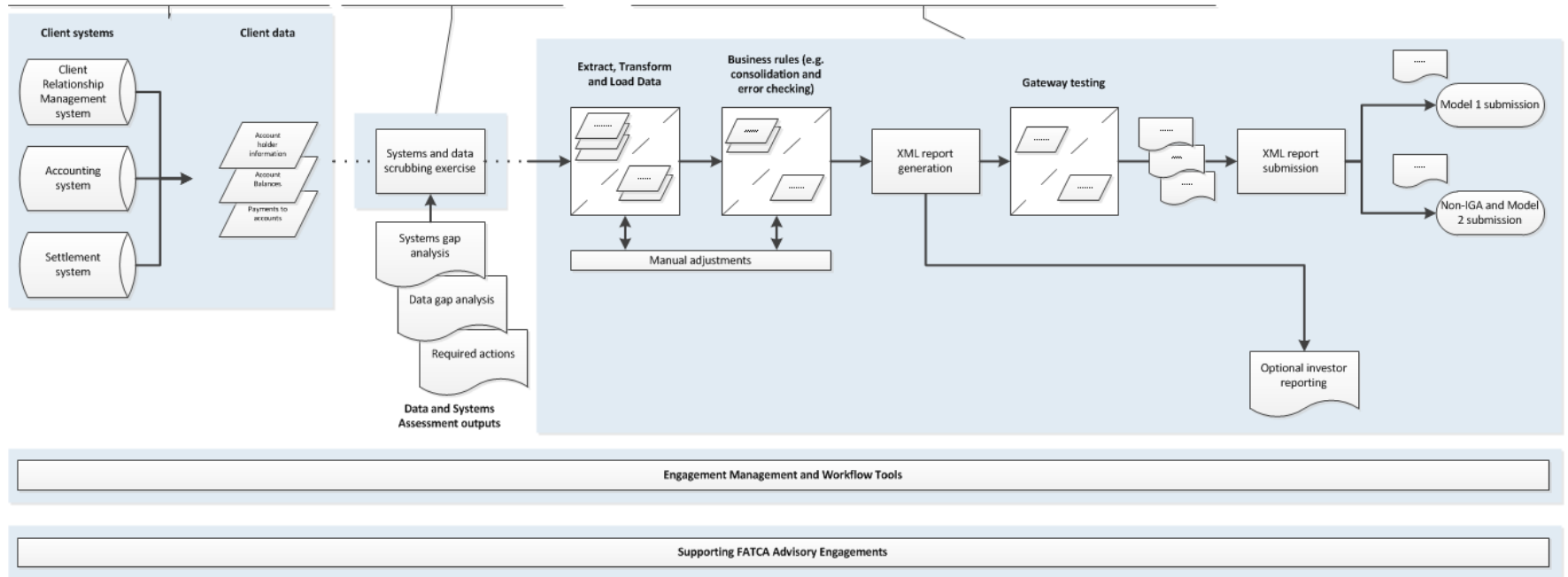
- Pre engagement reviewing client systems and data
- Identify gaps that must be addressed in order to be compatible with the Reporting Process

## Compatibility Phase

- Individually priced engagement to implement required actions
- Address issues prior to use of the Reporting Process

## Reporting Process

- Reporting process containing basic transformation of information inputted via standardised input requirements, limited business rules, gateway testing, report generation
- Process covers submission of files via relevant portals
- Includes an option to generate investor reports for the FI to provide to customers



# Initiation phase

During the initiation phase, we will analyze client systems and data, identify gaps that must be addressed in order to be compatible with our Reporting Process and identify next steps

- A focused project to understand and document current system landscape and identify key data points required for compatibility with the Reporting Process
- Potential challenges include data being held in disparate systems across multiple locations along with incomplete, inconsistently formatted or missing data points
- An initial analysis to understand the system landscape and data availability helps address these key challenges and reduce review points during reporting

## System Landscape Review

Our team would review your existing systems in order to check that:

- System architecture is sufficiently documented
- In scope systems holding FATCA related data points are identified
- Duplicate systems are eliminated
- Data privacy issues are highlighted
- System capabilities are documented (e.g. aggregation/consolidation)
- Gaps are identified

## Data Availability Analysis

Our team would perform an initial review of the data available within in-scope systems to check that:

- Relevant data fields for reporting are identified
- An initial analysis of relevant data fields is performed
- Compatibility of data fields with relevant reporting schemas and indicia search tools are considered
- Key data fields are available for extraction and analysis as required

### Key activities and outputs

- Perform workshops/interviews with business/system owners
- Issue data request outlining key data points required for reporting
- Establish working environment to test extraction of key data fields
- Profile and perform initial assessment of data completeness
- Document findings and outline recommendations

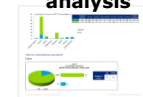
#### Strategic plan



#### Systems mapping



#### Data completion analysis







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