Deloitte.

Paving the Road to Compliance –
Smart Solutions for Global Information Reporting

Information Reporting ("IR") Outsourcing - Retailers

New laws and regulation across all industries, including retail, have elevated compliance concerns at the C-suite level. Moreover, recent economic and technological disruptions are making it challenging for retailers to execute on their strategic objectives. By being aware of the changes mandated by regulations and addressing common pitfalls, retailers can position themselves to lower their cost and the risk of non-compliance

Why now?

- Increased IRS focus and enforcement of IR requirements;
- Increase penalties for failures to withhold and report accurately;
- New risks associated with non-compliance: The Internal Revenue Service("IRS") and tax authorities within other jurisdictions are increasingly focused on compliance with withholding and reporting requirements;
- Technology facilitates enforcement: Electronic data collection and reporting tools make it easier for the IRS to analyze data and detect reporting issues, as well as to share data with other tax authorities.

What is the impact?

Penalty assessments and thresholds have increased.

Organizations in the retail industry are faced with numerous tax information reporting issues to resolve including:

- More rigorous and challenging data-gathering, tax information return preparation, and filing process than in the past
- The need for a more efficient, cost effective way to meet these burdensome requirements, while managing risk and maintaining quality

IR requirements can create significant burdens for tax departments and operational groups. These requirements include enactment of a number of tax law changes designed to increase information reporting, including 6050W and FATCA.

Who can benefit?

Your organization may benefit from outsourcing some or all of your IR responsibilities, if:

- There are a high volume of information reporting and withholding requirements but the organization is unable to develop and maintain the necessary staff and technology internally needed to comply with the increasingly complex requirements.
- Your organization has a small volume of information reporting and withholding requirements that does not necessitate the support of full-time staff.

You may also look to outsourcing as an interim approach while developing an internal capability.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional.

Deloitte service highlights

The following suite of services are aimed at helping you comply with IR requirements; specifically tax reporting, document due diligence, and withholding:

Tax reporting: Assist with the filing of tax information statements, including U.S. Domestic Reporting (Forms 1099), Non-resident Alien Reporting (Form 1042-S), and FATCA Reporting (Form 8966).

Documentation due diligence: Assist Withholding Agents (payors) with the collection and due diligence review for tax documentation.. The recent revisions to the Forms W-9 and W-8 to meet FATCA requirements have significantly increased the complexity of the analysis.

Withholding Determination: Assistance with determining the proper withholding requirements including income types, tax treaties, and complex sourcing rules.

Contacts

Denise Hintzke
Director, Global FATCA Tax Leader
Deloitte Tax LLP
+1.212.436.4792
dhintzke@deloitte.com

Terence Coppinger
Director
Deloitte Tax LLP
+1 212 436 6412
tcoppinger@deloitte.com

Marijo Lalley
Senior Manager
Deloitte Tax LLP
+1 617 437 2578
mlalley@deloitte.com

Why Deloitte?

By reducing manual tasks and addressing risks, Deloitte's GIR team can provide strategic value to the company's procedures and processes for documentation, withholding and information reporting requirements by delivering:

- A focused and flexible approach to assist with your organization's particular needs and circumstances
- A globally connected, multidisciplinary team with technology and tax technical skills including deep industry knowledge and insights into key regulatory trends affecting information reporting
- Broad range eminence in the marketplace and thought leadership
- Established Centers of Excellence involving integrated teams in the U.S. and India that are experienced in engagements of all sizes
- Experience with the factors that impact the determination of the proper withholding rate including income types, tax treaties, and complex sourcing rules.
- A frontline view into recent technologies and software products, plus insight on how they work in different finance and tax environments

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2015 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited