



FiTAX – The leading solution for FATCA reporting

A solution trusted by many clients

Currently 50 main financial institutions – representing over 1500 Qualified Intermediaries across Switzerland, Germany, Liechtenstein, Luxembourg, Monaco and Singapore – use FiTAX for the Qualified Intermediary (QI) reporting to the IRS and to report under the European Union Savings Directive (EUSD).

Throughout the year, BearingPoint interacts with its FiTAX clients at various events, which provide a forum to gather recommended new features and functionality directly from the user community.

Extensive experience in IRS and EU regulations

Over the past 12 years, BearingPoint has continuously enhanced its FiTAX reporting solution. One of the main challenges faced by financial institutions today is keeping up-to-date with the ever-evolving reporting requirements imposed by the IRS and other European tax authorities.

The IRS and other tax authorities frequently call for different report layouts, changes in the data to be reported and technical modifications. It can be very time-consuming for financial institutions to follow and implement these changes on time and with consistently high quality.

BearingPoint's FiTAX clients do not need to be concerned about this additional burden. As part of the standard maintenance BearingPoint offers its clients, the reporting solution is adapted to reflect these changes in a timely manner. Our clients can rely on the experience of our product specialists, who remain in contact with the relevant tax authorities.

An established reporting solution – on the market for 12 years

In 2001, BearingPoint implemented its FiTAX solution at the first client site. Since then, FiTAX has grown into a highly-advanced IRS reporting solution, covering all aspects of QI Reporting, including data reconciliation with custodians. In 2005, BearingPoint added a sophisticated EUSD reporting module to FiTAX. This module is used by many of our clients who report directly to the tax authorities under the European interest tax reporting scheme.

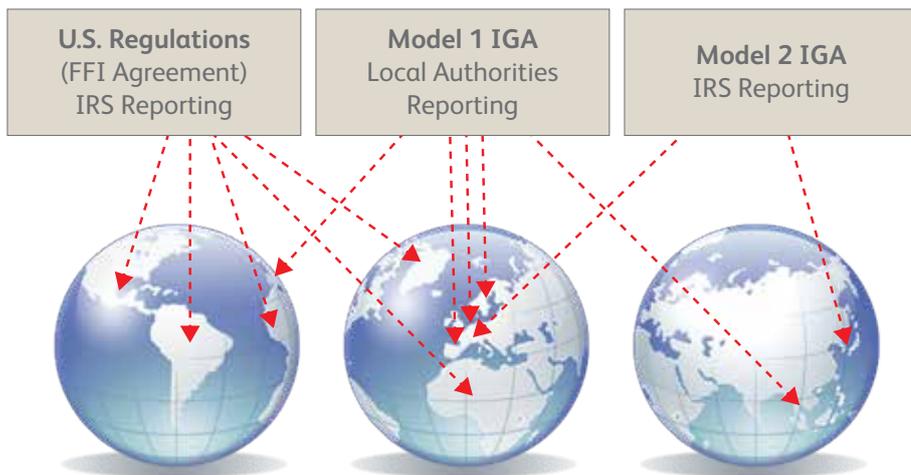
Accordingly, BearingPoint not only has experience in dealing with IRS requirements, but also with tax reporting requirements from other foreign tax authorities (e.g. Germany, France, Spain, etc.). Under FATCA, financial institutions will have to deal with both the IRS (FATCA final regulations scheme) as well as other foreign tax authorities (Inter-Governmental Agreement I – IGA 1).

Close collaboration with a leading Big 4 firm

Since 2001, BearingPoint maintains a close working relationship with KPMG Luxembourg. They provide us with assistance on U.S. QI and EU reporting. KPMG Luxembourg advises us on the interpretation of the U.S. QI and EU tax laws for implementing the necessary reports. This is an example of how we strive to bring real value adding services that enable high quality reporting towards tax authorities.

The screenshot shows the FiTAX software interface. At the top, there are tabs for 'Data warehouse', 'Reporting', and 'Settings'. Below these are icons for 'Actions', 'Run', 'Delete', 'Audit', 'Print', 'Copy', and 'Paste'. A navigation pane on the left lists various data categories: 'QI', 'Financial Institutions (4 rows)', 'Clients (59 rows)', 'Warning Clients (14 rows)', 'Payments (109 rows)', 'Warning Payments (35 rows)', 'Custodians', 'Processed Data', and 'Processed Data Corrected'. The main area displays a table with columns: RT71_ID, Status, K020 Create Date, K021 Client ID, K022 Ben Owner US ID Type, K023 Ben Owner US ID, K024 Client Type, K025 Ben Owner ID, and K026 Ben Owner R. The table contains several rows of data, with some rows highlighted in red and yellow. A log window at the bottom shows messages: '03.09.2013 18:17:57 Validating data of table Clients : Success' and '03.09.2013 18:18:02 Validating data of table Clients : Success'.

FiTAX provides comprehensive reporting – from FATCA final regulations to the IGAs



One of the key differentiators of FiTAX is BearingPoint's commitment to provide not only the reports required by the IRS final regulations on FATCA but also to largely cover the reports under the two types of Inter-Governmental Agreements (IGA) – model 1 and model 2.

Financial institutions with a global network of subsidiaries will be obliged to respect not only the reporting rules as established in the final regulations agreement with the IRS but will most likely also have subsidiaries in countries signed up to the IGA model (either 1 or 2). For example, a financial institution headquartered in Germany with a subsidiary both in Switzerland and France may have to comply with three different sets of reporting rules.

Thanks to our extensive experience dealing with the IRS and tax authorities across many EU countries, BearingPoint is able to address the reporting requirements to IRS but also to most of the local authorities (IGA model 1).

FiTAX will continue evolving to include changes in reporting requirements and additional countries

In the same way BearingPoint has adapted FiTAX to changing QI Reporting requirements over the last 12 years, we will be maintaining the solution for future changes in reporting requirements under the different reporting models.

In addition, BearingPoint plans to include most of the reporting requirements stemming from agreements of new countries that join, for example, IGA model 1. Thus, financial institutions can rely on BearingPoint to produce a solution that evolves over time to stay in line with new laws and changes to existing laws.

About BearingPoint

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our 3350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

www.bearingpoint.com

FiTAX provides scalability for global deployment

BearingPoint has a wide range of FiTAX clients – from a small bank employing less than 50 employees to service providers who produce QI Reports for hundreds of banks.

FiTAX is scalable to serve global financial institutions as well. More and more financial institutions are applying a hub-based implementation of FATCA reporting – e.g. usually major subsidiaries are reported centrally from the hub. In this approach, smaller entities are allowed to implement a local solution. Under such a scenario, FiTAX would be able to cover both types of entities.

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