The Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) present significant structural changes in governments’ efforts to improve global tax compliance. A robust reporting system is necessary for financial institutions to keep up with reporting requirements - one that provides a full audit trail and comprehensive country coverage with key controls and validations.

FATCA promotes cross border tax compliance by implementing an international standard for the automatic exchange of information related to US taxpayers. Regulations require tax authorities obtain detailed account information for US taxpayers on an annual basis.

CRS is the global initiative to achieve an international standard for exchange of information. CRS requires financial institutions around the globe provide tax authorities with access and insight into taxpayer financial account data.

At first glance, there are similarities between FATCA and CRS. However, there are more than 96 countries committed to CRS. This means CRS has a much broader reach than FATCA and requires a unified, cross-team effort to ensure readiness and compliance.
COMPLEXITY MADE SIMPLE

The tax information reporting landscape has changed substantially over the past two years and is set to become even more complex in the future.

Data management is an area of particular concern. Specifically, managing the various electronic data transmission processes across different jurisdictions. Data, such as Tax Identification Numbers (TINs), the identity and residence of the account owner, citizenship, reporting entity, balance and interest payments, may be well established, but the actual data management presents complexities.

THE SOLUTION

Data management, including collecting, aggregating and validating data volume, is complex enough. Transmitting that data to multiple tax authorities across various jurisdictions around the globe takes it to a new level. Including the different formats required by tax authorities adds an additional layer of complexity.

Thomson Reuters ONESOURCE™ AEOI Reporting provides complete data collation, validation and submission for FATCA and CRS reporting as well as management information reporting, including tracking key data points and submission dates.

The IRS and Intergovernmental Agreement (IGA) partner countries have reporting requirements and electronic schemas and formats that differ between countries. This makes the mechanics of formatting and filing data difficult. ONESOURCE automates the creation and filing of reports based on specifications dictated by each country that adopts CRS, in the Crown Dependencies and overseas territories, as well as, the IRS.

ONESOURCE reduces the risk and burden of FATCA and CRS reporting by providing an established and trusted platform. We have 25 years of experience building and perfecting global tax solutions to ensure compliance. At Thomson Reuters, we are experts at creating simplicity out of complexity.

CONTACT US TODAY

☎ 1-888-885-0206
✉️ tax.thomsonreuters.com
✉️ ONESOURCE@thomsonreuters.com