




VENDOR SELECTION CHECKLIST







HOW TO SELECT THE BEST AEOI DOCUMENTATION & REPORTING SOFTWARE VENDOR

The global tax landscape has changed substantially in recent years and is set to become even more complex in the future. With constantly evolving regulations and potentially harsh tax and financial consequences for non-compliance, you need a trusted software partner who can help you maintain compliancy. As you mobilize your FATCA, CDOT and CRS compliance efforts, use the checklist below to help you sort through your options and select the vendor who will best meet your reporting needs. From tracking global regulatory updates, to filing on time, choosing the right partner is what will keep you confidently compliant in the era of tax transparency.

What to ask the vendor	Yes or No		Why this is important
 <p>Do you have a comprehensive reporting solution?</p> <p>Do you have experience filing in mass volume?</p> <p>Do you file on time for all clients that submitted their data to you on time?</p>	<p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p>	<p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p>	<p>You should be confident you have a vendor that is familiar with tax information reporting and is used to applying this expertise on a large scale. Many companies offering documentation and reporting solutions do not have wider experience with tax information reporting, little experience dealing with tax authorities, and some have little experience or success in creating and filing the variety of forms covered by ONSOURCE. With high stake penalties and even greater reputational risk as the fallout for noncompliance, vendors must show customers a solution that will meet their needs. This solution must also adhere start to finish with recognized regulations outlined by the relevant tax authorities.</p>
 <p>Do your reporting and documentation tools come with the full set of local tax specific regulation built in for all the jurisdictions in which I operate?</p> <p>When a regulation changes in any of my jurisdictions, would you be responsible for tracking and updating the rules for me?</p>	<p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p>	<p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p>	<p>Regulatory requirements for both documentation and reporting change frequently in many jurisdictions. Tracking those changes, converting them into requirements and updating the tool is a great challenge for many organizations. Having a vendor that handles the tracking and implementing the rule changes for you in time to ensure constant regulatory requirements reduces the risk significantly and saves you a substantial amount of money and resources.</p>
 <p>Have you experienced recent success in implementing last-minute specifications given by tax authorities?</p> <p>Is your solution used for tax information reporting in multiple countries?</p> <p>Do you have experience in complying with US FATCA and UK CDOT regulations?</p>	<p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p>	<p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p>	<p>Regulations frequently change, and specifications may sometimes be communicated by tax authorities very late in the year. Also, the preparation timeline for CRS is far shorter than it was for FATCA. This leaves a painfully small window for making last minute changes.</p> <p>Also, keeping track of updates from each governmental entity may prove to be a huge challenge. Vendors with limited exposure to FATCA may find CRS a major undertaking.</p> <p>From an IT perspective, these fast-paced changes present many challenges. It is often difficult to develop a viable solution since IT projects typically require long cycles of testing and implementation. Additional IT challenges include:</p> <ul style="list-style-type: none"> • Information security issues • Local data privacy regulations • Data quality <p>It is all the more important that your vendor has the expertise and bandwidth to handle that kind of pressure.</p>

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Essential questions continued...

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 <p>Do you have a tool that will automate the import of my data and map it to the appropriate box on each form?</p>	Y <input type="checkbox"/>	N <input type="checkbox"/>	<p>Importing data should be painless to the customer with minimal manual entry. A quality import tool almost eliminates the need for manual entry while also ensuring the accuracy of the data on each form.</p>
 <p>Once loaded, can you validate and reconcile my data?</p>	Y <input type="checkbox"/>	N <input type="checkbox"/>	<p>To verify all your data has made it into the system and onto the forms, it is important to have a fully vetted reconciliation and validation process. Data needs to be validated for completeness as well as against local regulatory specific requirements. This is a best practice for avoiding future corrections or serious compliance mistakes.</p>
 <p>Can your system prove and track changes made to my personal data?</p>	Y <input type="checkbox"/>	N <input type="checkbox"/>	<p>As with most systems that work with personal data, it is important to produce an extensive audit trail for any data changes made in your system.</p>
 <p>Do you provide support and service to handle filing errors and rejections?</p>	Y <input type="checkbox"/>	N <input type="checkbox"/>	<p>Errors and rejections need to be handled promptly otherwise the filer (you) may be exposed to penalty risks. It is important to track the errors and rejections and file a correction or replacement accordingly.</p>
 <p>Is your solution used by the largest number of financial institutions across the globe?</p> <p>Have you been successfully audited by major accounting firms?</p> <p>By large financial institutions?</p> <p>How large of a tax software provider are you?</p>	<p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p> <p>Y <input type="checkbox"/></p>	<p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p> <p>N <input type="checkbox"/></p>	<p>When you are relying on a vendor to keep you compliant, you need to be sure they can be trusted. That's why a tried and true solution is your safest option. Choosing a vendor for your tax compliance software is one instance where looking at who other companies are using for their tax solutions may be the right thing to do. It is also important to review the size and history of the vendor and assess the likelihood that they will be around in the tax compliance business and could provide you the level of support you need for years to come.</p> <p>Likewise, a vendor doing business with major accounting firms will be able to withstand scrutiny by those firms. Being audited by multiple firms and financial institutions leaves little room for error – and that's just what you want to hear when your firm's reputation is on the line.</p>
 <p>Do you offer personal support, as well as adequate training documents and materials?</p>	Y <input type="checkbox"/>	N <input type="checkbox"/>	<p>No matter how much you scrutinize potential vendors, there are always questions once reporting season begins. You need a solution that offers personal support that is convenient for you.</p>

<h2>TOTAL SCORE</h2>		<p>How'd they score? We encourage you to call and ask these same questions to a Thomson Reuters sales representative. We want to make sure you choose the best vendor for your reporting needs so that you can stay confident in this changing regulatory environment.</p>
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