

# FATCA Compliance Services

**T**he Foreign Account Tax Compliance Act (FATCA) is intended to help reduce offshore tax evasion by U.S. taxpayers who hold some or all of their investments in foreign accounts. FATCA requires financial institutions outside of the U.S. to report information about financial accounts held by U.S. taxpayers or held by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

## THE CHALLENGE

FATCA requirements apply to all financial institutions globally. The regulations impact “U.S. persons” residing outside the U.S., non-financial foreign entities with substantial ownership held by a “U.S. person” (e.g., privately held corporations, partnerships and trusts), as well as foreign financial institutions (including counterparties) holding accounts with another financial institution.

Participating Foreign Financial Institutions (PFFIs) have an obligation to conduct due diligence on new and existing accounts to establish the “U.S. person” status of individuals and entities. For each person or entity so identified, the PFFI is obligated to provide annual reporting to the IRS or to their local tax authority.

Complying with FATCA’s due diligence, remediation, withholding and reporting requirements poses many challenges related to the following:

- Future-proofing operating models in line with the evolution of global tax compliance regulations
- Accommodating multi-jurisdictional solutions to ensure regulatory compliance across the global operations
- Data aggregation, search and analytics
- Account due diligence, classification and remediation
- Ability to identify income sources
- Ability to link income to the source
- Ability to capture withholdable and reportable payments

An end-to-end compliance approach is needed with support from trusted partners with deep and proven compliance, risk and technology know-how.

## WHAT WE OFFER

CGI offers high-quality, end-to-end FATCA services designed to facilitate on time, on budget compliance, as well as provide the flexibility and scalability to



## FATCA COMPLIANCE SERVICES AT A GLANCE

- High-quality, end-to-end compliance services
- On time, on budget compliance
- Flexibility and scalability to meet evolving regulatory requirements
- Scalable, modular approach to compliance
- Seamless integration with existing IT services
- Auditability and governance at every stage of the compliance life cycle
- Specialized FATCA intellectual property and data storage facility

meet evolving regulatory requirements. We advocate a scalable, modular approach to compliance, which addresses the requirements in a practical, phased-in manner and ensures seamless integration with existing IT architectures. We also help to facilitate auditability and governance at every stage of the process.

Our FATCA services include the following:

#### **FATCA consulting and program leadership**

- Program governance, assurance and delivery management
- Operating model impact assessment and design
- Alignment with existing KYC / AML process
- Future-proof for both IRS and other similar International regulations

#### **FATCA data management services for due diligence**

- Accelerated data profiling and cleansing tools
- FATCA-related data capture and secure FATCA data storage facility
- Data dictionary and rules based on FATCA and IGA regulations.
- Data analytics to identify and pre-classify “U.S. accounts” across multiple internal/external structured and unstructured data sources
- Specialized agile dashboard reporting

#### **FATCA remediation and case management**

- Onboarding, BPM and case management platform
- Automation of due diligence and remediation process across multiple channels, reducing time and cost to compliance
- Customer experience enhancement

#### **FATCA withholding and reporting**

- Automated scrutiny of payments to identify “withholdable” US source payments
- Automated reporting to the IRS or tax authorities in FATCA-partner IGA countries in accordance with prescribed formats
- Account holder reporting and internal MIS reporting

#### **WHY CGI?**

CGI has 25+ years of regulatory compliance expertise within the financial services sector, including specialized FATCA compliance know-how and solutions. We have been working with clients on FATCA projects since 2011, building a FATCA-specific data storage facility and developing FACTA intellectual property that can be adapted to multi-jurisdictional FATCA requirements. In addition, we offer deep knowledge of the operational impact of FACTA and how to best prepare for it.

We’re helping clients to reduce the cost of compliance with strategic solutions that reduce the regulatory burden and create competitive advantage.

#### **A PARTNER OF CHOICE**

Through CGI’s transformational business approach, we help banking, insurance, telecommunication, government and other organizations become true service providers by transforming their strategic approach, processes and technologies from a product- to a client-centered orientation.

Our full set of offerings— including consulting, business solutions, systems integration, and the full management of IT and business functions—allows clients to deliver faster, more targeted services at less cost and risk.

CGI offers clients a unique partnership approach. Our client-proximity business model provides accountable and responsive project delivery while our global delivery options offer the value of onshore, nearshore and offshore expertise.

CGI has a clear vision: We help clients achieve growth by providing the tools, insights, and expertise needed to execute successful credit risk management strategies. We develop and implement solutions that address clients’ business and technology challenges, drive customer profitability and sustain shareholder value.

For more information, please contact us at [banking.solutions@cgi.com](mailto:banking.solutions@cgi.com), or visit [www.cgi.com](http://www.cgi.com).