

# FiTAX – DAC6/MDR

## Are you ready for a new tax regulation?

Inspired by the OECD's base erosion and profit shifting (BEPS) project, the new EU directive on Mandatory Disclosure Rules for intermediaries (DAC6), published in June 2018, goes one step further in the fight against aggressive tax arrangements and opaque structures. It imposes new obligations on intermediaries (banks, assets managers, financial advisors...), and sometimes taxpayers, to disclose/report cross-border arrangements which have particular characteristics.

The DAC6 directive shall entered into force on 1 July 2020. However, there is a retroactive reporting obligation for cross-border arrangements that were made available for implementation between the 25th of June 2018 and 1st of July 2020. Intermediaries and taxpayers should start tracking reportable arrangements immediately after the entry into force of the new rules. Later, from August 2020, they shall report to their competent tax authorities or face penalties for non-compliance. Some countries outside of the EU should also implement such Mandatory Disclosure Rules, most probably based on the standard: MDR from OECD.

## Meet the DAC6 requirements with FiTAX

BearingPoint has a deep knowledge pool of regulatory, governance and risk management experts helping their clients on their regulatory journey. Financial Institutions and other intermediaries have various duties related to the identification and reporting of certain tax planning arrangements. They must handle new regulatory challenges, while sustaining the return value of existing software asset investment.

Based on existing FiTAX solution structure, BearingPoint's FiTAX DAC6/MDR module helps intermediaries (banks, assets managers, financial advisors...) to meet the new Mandatory Disclosure Rules to comply with DAC6/MDR obligations.

Our standardized solution is ready to use, easy to deploy and can be customized to specific needs. FiTAX captures, identify and guide the users to manage the cross-border arrangements until reporting.

## FiTAX DAC6 Features

- Capture of the cross-border arrangements from various sources, including manual entries
- Assessment of the arrangements and collection of the key data
- Centralized approach with multi-entities, multi-languages support
- Country specific approach

### Close collaboration with a Big 4 firm

Since 2001, BearingPoint has worked together with tax advisors of a Big 4 auditor. They support us in the interpretation of tax laws so that we can prepare the required reports.

This is an example of how we strive to bring real value by adding services that enable high-quality reporting to tax authorities.

### FiTAX provides scalability for global deployment

FiTAX can be scaled to serve global financial institutions as well as local entities.

An increasing number of financial institutions implement FiTAX as a hub-based approach. This means that most entities report centrally, while other clients do so locally for each entity.

FiTAX supports both approaches: local and global.

- Efficient user interface with powerful assistance including quality checks
- Workflows, notifications, reminders, and collaborative work features
- Report to competent Tax Authorities in the official data format
- Reporting to other intermediaries and tax payers
- Transparency and traceability: Reports, overview, dashboard, KPIs, Audit, history of changes
- Secured IT architecture including encryption, access right management and data segregation

## A solution trusted by many clients

BearingPoint's FiTAX solution offers various modules and enables financial institutions to automate the regulatory reporting processes and to report for many countries from a single and centralized platform. Each module is independent, but in order to ease the implementation, all the reporting modules can share the same user interface (Helios), the same IT infrastructure, the same access rights management and the same data.

More than 75 main financial groups in Americas, APAC, EMEA – representing over 2500 financial institutions across more than 110 countries – use FiTAX reporting modules: FiTAX QI for Qualified Intermediaries, FiTAX QDD for Qualified Derivative dealers, FiTAX FATCA to report to the US tax authority International Revenue Service (IRS) or the local tax authorities under the Foreign Account Tax Compliance Act (FATCA), and FiTAX CRS to report under the OECD Common Reporting Standard (CRS).

## Extensive experience in reporting regulations

One of the main challenges faced by financial institutions is to stay up to date with the ever-changing reporting requirements imposed by tax authorities, which frequently request modifications in electronic files and reports. Monitoring and implementing changes both punctually and reliably is increasingly difficult for financial institutions. BearingPoint handles this process and makes sure that FiTAX is regularly updated to always provide its clients with a promptly renewed solution. This approach has proven to be a cost-effective solution to lighten the burden of reporting for financial institutions, thus allowing them to focus on their core activities

## About BearingPoint RegTech

With its RegTech product line, BearingPoint is a leading international provider of innovative regulatory and risk technology solutions (RegTech and RiskTech) and services along the Regulatory Value Chain for Financial Services. Customers representing 6,000 firms worldwide, among them large international banks, a major part of the largest European banks, leading insurance companies as well as supervisory authorities and central banks, trust BearingPoint's RegTech products and services.

We work closely with regulators and, as a member of standardization bodies such as the XBRL consortium, we actively contribute to the standards-setting process. We combine our regulatory knowhow with our proven, reliable and forward-looking RegTech solution suite, expert consulting capabilities, as well as managed services and training seminars.

For more information about our products, please visit: [www.reg.tech](http://www.reg.tech)

### FiTAX stays in line with regulatory changes

BearingPoint has adapted FiTAX to numerous changing tax reporting requirements since 2001 and will continue to do so in order to provide reporting solutions which comply with future tax requirements.

Financial institutions can rely on BearingPoint to produce a solution that evolves over time and represents the dynamic of new tax regulations.

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