

# QI Reporting with FiTAX

Since 2001, Qualified Intermediaries (QI) are responsible for properly filling in the appropriate tax forms for payees. QI reporting must be done following the rules of the Internal Revenue Service (IRS) for forms and electronic files, according to criteria such as payment type, tax rate and client type. The **FiTAX QI module** helps Qualified Intermediaries and U.S. Withholding Agents to prepare and send complete reports to the IRS.

The FiTAX QI module also includes a reconciliation (**FiTAX Recon module**) module which supports the financial institution's back office in their QI reconciliation process. It compares the financial institution's data concerning the incomes from US securities with the data delivered by their custodians.

## The FiTAX QI module supports the following reports to authorities:

- Forms 1042, 945, 945-A
- 7004 forms (extension for 1042 form)
- Electronic files 1042-S and 1099 (1099-INT, 1099-DIV, 1099-OID, 1099-B, 1099-MISC)
- Request for extension of time (electronic 8809 form)

## The FiTAX QI module supports the following reports to clients:

- Forms 1099 (1099-INT, 1099-DIV, 1099-OID, 1099-B, 1099-MISC) and 1042-S
- Cover letters with name and address of the client
- Client reports offering a client friendly summary of the above forms

## FiTAX QDD module

The QI Agreement allows certain non-US derivatives dealers, and securities lenders, to enter an agreement with the IRS to act as Qualified Derivative Dealers (QDDs) with respect to transactions that give rise to payments under Code Section 871(m). FiTAX covers the QDD 1042-S reporting duties by allowing QIs to flag payments made in their QDD capacity. FiTAX also supports the attachment to form 1042, which QDDs must file along with the calculation of amounts to be reported in the 1120-F form.

### Close collaboration with a Big 4 firm

Since 2001, BearingPoint has been working together with tax advisors of a Big 4 auditor. They support us in the interpretation of tax laws and enable us to prepare the required reports for our customers. This is an example of how we strive to bring real value by adding services that enable high-quality reporting to tax authorities.

### 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.

## Why FiTAX is the right choice

FiTAX is a reliable solution which addresses the reporting needs of Financial Institutions. Each module is independent and can be used as stand-alone solution, but in order to facilitate the implementation process, all reporting modules share the same user interface, the same IT infrastructure, the same access rights management and the same data.



### The right experience

- Almost 20 years of experience: BearingPoint provides tax reporting software to financial institutions since 2001
- An award-winning solution trusted by more than 3,200 financial institutions including Tier-1 financial institutions in 130 countries
- Agile and fast to market



### The right partners

- Partnership with a Big 4 tax advisor with strong expertise and a large network
- Pragmatic cases and setups with involvement of existing customers network



### The right platform

- Strong technical architecture (security, management, connectivity)
- Data protection and data segregation down to business line level
- Country specific aspects embedded
- Thousands of data quality checks
- Audit trail
- Automated submission to tax authorities
- KPI and management report
- Scalable import features

### In line with regulatory requirements

FiTAX is constantly updated in accordance with the ever-changing tax laws and tax reporting requirements, so financial institutions do not have to focus on monitoring and implementing changes but can instead focus on their core activities.

## About BearingPoint RegTech

BearingPoint RegTech 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 XBRL, we actively contribute to the standard-setting process. We combine our regulatory know-how with our proven, reliable and forward-looking RegTech solution suite, expert consulting capabilities, as well as managed services and training seminars.

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



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