

FiTAX/TRACE

TRACE (Treaty Relief And Compliance Enhancement) is a self-contained set of agreements and forms designed by the OECD (Organization for Economic Co-operation and Development) and can be used by any country that implements the proposed “Authorized Intermediary” (AI) system.

Since Finland's announcement to be the first country to adopt the OECD's TRACE implementation package from January 1st, 2021, there has been much excitement in the market about the new regime and the opportunity it presents for financial institutions operating in global markets. As of today, many financial institutions joined the Finnish TRACE regime.

The AI system can be used for claiming tax relief under tax treaties and under the domestic law of a source country. It allows for foreign Financial Institutions (FIs) to voluntarily enter into an agreement with the source country's tax authority and claim tax relief for their customers on a “pooled” basis.

The system lays down the documentation and due diligence procedures that the FI must follow together with the information reporting that is required; specifically, the FI must report detailed investor reporting to the source country's tax authorities on an annual basis.

Our software solution for the TRACE regime: FiTAX TRACE module

Our software solution FiTAX is a global tax reporting platform connecting regulators and the industry. Based on our long expertise with QI reporting, reconciliation, CRS, FATCA and lately DAC6/MDR, we now have developed a dedicated module to cover the duties of the financial institutions regarding TRACE. This module allows our clients to fulfil their AI reporting duties and enabling their customers to get relief at source.

In this project, we are also delighted to be engaged in a partnership with our long-term client [Clearstream Banking](#).

In line with regulatory requirements

FiTAX is constantly updated in accordance with the everchanging 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.

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.

FiTAX is the right choice! Why?

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

- 20 years of experience: BearingPoint RegTech 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 140 countries

The right platform

- On-premises, Managed Services and Cloud offerings
- Agile and fast to market
- End to end reporting process: Data loading, quality checks, processing, reporting, automatic submission, corrections
- More than 1700 data quality validation rules
- Advanced features such as reconciliation, corrections, customizable reports, encryption, split files, management of access rights and many more
- Always up to date with regulations in 140 countries
- Team of experts to support implementation and reporting, critical to implement project on budget and on time

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.

About BearingPoint RegTech

[BearingPoint RegTech](#), is a leading international provider of innovative regulatory, risk, and supervisory technology solutions (RegTech, RiskTech, and SupTech) 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 RegTech's products and services. BearingPoint RegTech works closely with regulators and, as a member of standardization bodies such as XBRL, actively contributes to the standard-setting process. BearingPoint RegTech combines regulatory know-how with a proven, reliable, and forward-looking RegTech solution suite, expert consulting capabilities, managed services, and training seminars. This document is issued by BearingPoint Switzerland AG, part of the BearingPoint RegTech group of companies which is not affiliated with and independent from BearingPoint Holding B.V. and its affiliates. For more information, please visit www.reg.tech.

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