CRS/FATCA A-One
Audit of Financial Institutions™

CRS/FATCA One

CRS/FATCA simplified, smarter.
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A Trans World Compliance Solution

Audit of Financial Institutions

Based on experience, TWC has identified 5 steps to sucessful AEOI compliance. Our automated solutions have been tailored to support TAs through this journey:

The Tax Authority AEOI Journey includes:

Prepare	Educate	Measure Data	Analyze Data	Use Data
• Legislation • ID Stakeholders • Research Technology • Prepare Education	• Educate: Who, what, why, when, and how? • Test Technology	• Measure percent compliance	• Measure quality of compliance	• Use the data

1 **Prepare**. This step includes putting in the legal framework, developing (in house) or research (buying) technology solutions, identifying stakeholders, and building an educational framework.

2 **Educate and Set-up a System**. Who needs to report? What needs to be reported? Consequences of not reporting? When do they need to report and how? Setup the technology and test the system. Getting the right technology is critical to achieve the desired ends.

3 **Measure Data Received**. Are stakeholders using the system and reporting data? Why or why not? If a sufficient level of reporting is not achieved, a Tax Authority may have to revise their education and repeat step 2.

4 **Analyse Data Accuracy.** Are stakeholders reporting accurate and complete data? Why, or why not? What are the barriers to getting good data?

5 **Use Data Received.** Apply the data to other systems.

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- While the success of AEOI depends on several coordinated steps, CRS/FATCA A-One is TWC's response to the ever-growing needs of Tax Authorities to enforce compliance of FATCA and CRS by analyzing their regulated FI's data reporting accuracy.

- Once there is a sufficient level of reporting, TWC suggests conducting audits of a subset of the Financial Institution's data set to determine the quality of compliance with FATCA, CRS, and jurisdiction specific reporting requirements.

- When processing data through TWC'S CRS/FATCA A-One, the solution will show reportable records and Red, Yellow, and Green flags to identify major and minor deficiencies.

- The deficiencies include data issues, indicia, or even minor items like TIN formatting giving TA's a means of understanding the quality of data analysis to determine reportable records, the quality of the data being reported, and the accuracy of reporting.

TWC recognizes that auditing of all data and all Financial Institutions is not feasible. However, just as a traffic policeman cannot catch all speeders, there needs to be enough of a credible threat and penalties to have Financial Institutions self-police their own compliance activities.

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Process Summary

Audit Process Summary using CRS/FATCA A-One

1.   Installation.

CRS/FATCA A-One can be deployed on-premises, on a laptop or can be cloud hosted. Installations are quick and the software is compatible with leading data bases and server providers.

2. Request sample of the FI's existing client data from Dec 31st.

This can be done in a batch using Excel spreadsheets. Although for loading purposes only a unique ID and a name are required, for the completeness of the audit purpose you will need as many data points as you can. The more the better (address, individual names / entity name, POB, DOB, TIN # and issuing country, phone, opening date, type of account, Dec 31st balance, controlling persons etc.)

3. Load data into the CRS/FATCA A-One system.

Data is loaded and a rule base applied. A Rule Base applies the appropriate CRS or FATCA jurisdiction specific rules to identify records to be reported, indicia and minor deficiencies.

4.   Data Analysis.

Flags are raised in an intelligent manner to show reportable records, missing data fields , invalid TIN formats, currency conversion, any fields required for reporting, and records showing indicia.

- Full audit trail for auditors and regulators.
- Data results can be reviewed online, PDF, XML, or Excel.
- Can also validate previously formed XML´s for format and completeness

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Feature Summary

Feature	TWC	Comments
Delivery options		**Hosted, on-prem or in your laptop**
Hosted	✓	Worldwide secure data centers such as AWS and Azure host our cloud based SAAS solution.
On-premises	✓	Installed on your servers, a laptop or on a VM behind your firewall. Supports Windows/Linux/Unix operating systems and multiple relational and non-relational DB's.
Installations	✓	Super-fast installations – our engineers can remotely guide on-site installation or cloud configurations in as little as single day.
Security		**Built to the highest levels of security. Client data could be masked for processing if necessary.**
LDAP	✓	Supports LDAP Single Sign-on and 2FA.
User roles	✓	Multiple role-based security including IT Admin, Business Analyst Admin, Reporting, super-user, and business analysts.
SSL encryption	✓	256-bit SSL encryption of all data in motion and at rest.
User session expiry	✓	Configurable time-out for user sessions.
Scalability		**"Industrial grade" software**
Processing speed	✓	Highly optimized for rapid loading and processing of data.
Operating speed	✓	Includes a highly optimized interface for rapid viewing, report generation, and XML generation.
Vertical and Horizontal Scaling	✓	Vertical scaling only works so far. CRS/FATCA One utilizes Hazelcast for horizontal scaling.
Data Entry		**Multiple data entry formats.**
Multi-tenant	✓	Supports multiple organizations and GIINs in a single system
Data integrity	✓	Data can be shared between users or firewalled between users.
Sponsored relationships / Filer Data Overrides	✓	Supports sponsored relationships for FATCA and Reporting FI data overrides for FATCA and CRS
Spreadsheet	✓	Allows input of data via spreadsheets
Manual entry	✓	Allows for one-off manual entry of data
XML data entry	✓	Allows entry of data from existing XML's including previously submitted XML, which can then be easily updated or voided
Rule Bases		**Uses Rule Bases for a customized and localized solution**
Indicia and data deficiencies	✓	"Rule Bases" are used to codify the flagging rules including CRS/FATCA indicia, country codes to be searched, type of XML to be generated, default currency, reporting year, and user customization fields. We currently cover over 100 jurisdictions and counting. Applies different indicia rules and raises Red and Yellow flags for major and minor deficiencies.
Rule base customization	✓	Rule bases are pre-configured but are customizable to account for FI risk tolerance and jurisdiction rules. Provides customizable fields. For example, de minims values can be lowered or raised, TIN validation can be optional etc.

Feature Summary

FATCA and CRS XML schema generation	✓	Generates the targeted XML schema including specific XML requirements such specific ID formats, encryption and delivery requirements, IRS IDES/ICMM automated delivery, and even entirely customized XML as required by certain jurisdictions. Currently supports over 100 jurisdictions and counting.
Defines submission year /country to search	✓	User definable search by country code(s). For example, search for US citizens or a specific list of CRS reportable countries.
Currency conversion	✓	Provides currency conversions options by supporting reporting in a single currency or in local account currency.
Flagging		**Raises green, red, and yellow flags for reportable records, major and minor deficiencies**
Identifies indicia	✓	Raises flags for findings of CRS and FATCA indicia.
Identifies missing information	✓	Raises flags for missing required information including optionally DOB and TINs including TIN formatting errors.
Identifies reportable records	✓	Identifies reportable records for staging, review, and reporting.
Case management	✓	Provides specific instructions for all flags raised such as the necessity to get curative documentation for indicia, track down missing required information, or provide manual review for large value accounts.
Change in circumstances management	✓	Identifies changes in circumstances of previously remediated clients and flags them for remediation.
Complete support of FATCA	✓	Supports specific jurisdiction requirements for CRS as well as all FATCA reporting relationships (Model 1, Model 2 and Non IGA countries).
Auditing		**CRS/FATCA A One provides robust audit trail and reporting capabilities.**
Reporting module	✓	Provides summary and detail data reporting.
Audit trail of all actions	✓	Provides a permanent audit trail of all compliance activities. Several reports can be created.
Detailed Account audit log	✓	Each account has an Audit Log PDF that shows all the information about an account, any compliance officer actions on the account, and provides for manager or relationship manager sign-off.
Security Reporting	✓	Security reports show all logins, activities by user, and submitted reports.
XML validation	✓	The validation feature will ensure all XML's are in the correct format to prevent any errors that might cause an XML to be rejected by a tax authority.
PDF and XML version of data	✓	A PDF modified version of the US FATCA 8966 form (the CRS does not have a paper version) shows all the information about a reportable account for both FATCA and CRS accounts. Either this PDF or the XML is available to be downloaded for permanent records or for on-line review.

Our Solutions

Fully Automated Solutions for Tax Authorities

CRS/FATCA A-One ™

Installed or available via the cloud to assist Tax Authorities with auditing Financial Institutions for CRS and FATCA compliance.

CRS/FATCA One for Tax Authorities™

Assists Tax Authorities with receiving, reviewing, and exchanging US FATCA, UK FATCA, and Common Reporting Standard (CRS) FATCA data.

BEPS Reporting

Assists Tax Authorities with compliance with the OECD Base Erosion and Profit Shifting (BEPS) Action item 13 (Country by Country), Action Item 4 (Exchange of Tax Rulings) Reporting, and Action Item 14 (Mandatory Disclosure Rules).

CTS 2.0

Coming in 2021 - TWC will support CTS 2.0 reporting requirements.

About Trans World Compliance, Inc.

Trans World Compliance Inc., (TWC) provides software solutions to simplify the compliance and regulatory requirements for Foreign Financial Institutions, tax regulatory bodies and governments.

TWC saves time, lowers costs and improves accuracy for compliance with international tax regulations and mandates by centralizing data, raising flags, tracking remediation, automated reporting, and providing an independent 3rd party audit of policies and procedures.

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