



IRIS FATCA Application:

A World-wide FATCA Reporting Solution for Financial Institutions

What is FATCA?

The Foreign Account Tax Compliance Act (FATCA) is a United States federal law enacted as part of the Hiring Incentives to Restore Employment (HIRE) Act on March 18, 2010. FATCA is intended to increase transparency for the Internal Revenue Service (IRS) with respect to U.S. persons that may be investing and earning income through non-U.S. institutions.

FATCA is far reaching and can impact any person, US or foreign, to the extent that such a person is involved in making or receiving payments that fall within the scope of the Act.

FATCA became effective on July 1, 2014 with a phased implementation timeline of 2.5 years. Under FATCA, all non-U.S. or Foreign Financial Institutions (FFIs), whether they have signed an Intergovernmental Agreement (IGA) or not are required to disclose information related to U.S. persons registered/invested with them along with their transaction details. Withholding is the cost of not reporting.

The Reporting Requirement

The first reporting under FATCA occurs in 2015 for reportable US persons' account balances. FFIs will be required to submit balances or valuations of certain types of products as of December 31, 2014. The information will include details of both the account owners and the submitting organization using the XML schema defined by the relevant tax authorities in different jurisdictions.

The process will vary by country and each tax authority will specify the format in which it requires reports to be submitted. In many cases, this may be the IRS-issued XML schema while in others such as the UK and India, a slightly different local schema will need to be used.

This change in schema and process could pose challenges for large financial institutions that provide multiple services across several countries. Consequently, there is a need to adopt a one-stop solution that can provide reliable and efficient compliance reporting while also being flexible to local business demands.

Introducing the IRIS FATCA Reporting Application

Considering the importance of regulatory reporting and confidentiality of the data being reported, IRIS has developed a user-friendly application for FATCA reporting to regulatory authorities. IRIS has introduced many features in the application considering user requirements and challenges faced while generating validated XML files from raw data.

The IRIS FATCA Reporting Application is a standalone desktop solution, that takes input in any Excel® or flat file formats and converts it into XML format

as prescribed by the regulator. The easy-to-use application also validates the document against all business rules and schema checks required by the IRS and the local tax authority.

In India, over 14 entities, including banks, insurance companies and mutual funds have made use of the IRIS FATCA Reporting Application to file their first year FATCA reports to the local tax authority, the Central Board of Direct Taxation (CBDT).

A Fully-loaded Solution

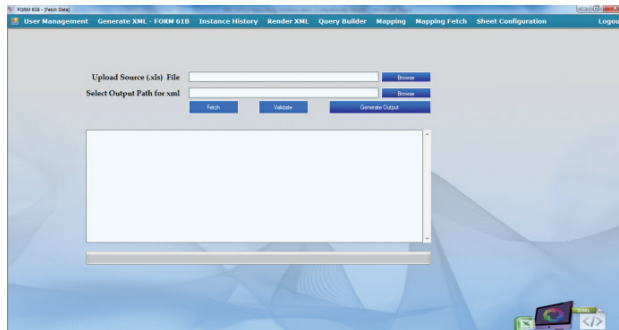
Features	IRIS FATCA Application	Other Tools
Manual input	✓	✓
XML processor	✓	✓
Schema validation	✓	✓
Business rules validation	✓	✓
Pre-Mapped input file	✓	×
XML viewer	✓	×
Audit trail	✓	×
Customized validations	✓	×
Mapping module	✓	×
Any flat file input	✓	×
User management	✓	×
Less manual intervention	✓	×
Future-ready reporting	✓	×

Rich Functionality:

The IRIS FATCA Reporting Application provides user friendly interfaces which help reporting entities generate and validate XML files and also evaluate the XML data for correctness in a secure local environment.

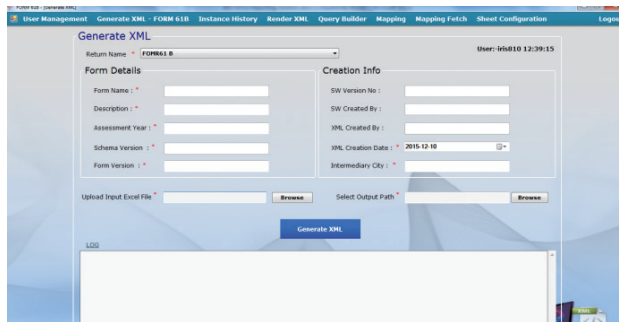
1 Pre-Mapped Files:

The application comes with a pre-mapped file of schema and input source mapping for all filings of FATCA reporting to the regulator. The data can be directly generated using the mapping available in the product.



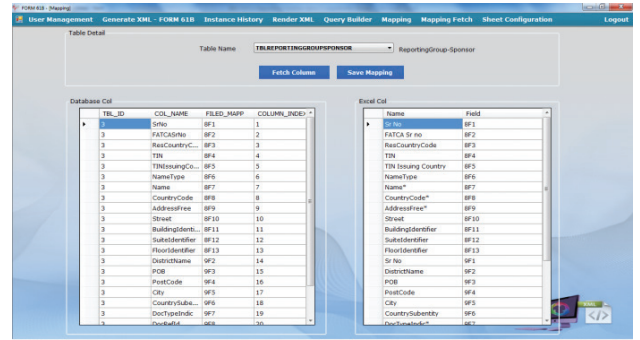
2 XML Generation Module:

This is a core module of the application which generates the XML file for the selected filing based on various parameters.



3 Mapping Module:

Any Excel® can become an input for XML generation through this one time mapping module. The user only needs to map the input file elements with the mandatory schema elements as a one-time activity.



4 Multiple and Future-ready Reporting:

The application can take care of any country-specific XML reporting for FATCA - for example, Form 61B reporting in India and FATCA reporting in Thailand. The solution can also be extended to the Common Reporting Standard (CRS) mandate to be adopted in the coming years.

5 Business Rules Validations:

The solution can validate the output XML as per the schema and business rules defined in the FATCA reporting guide and by the national tax authority. The output generated is built to consistently pass the validation test at the time of submission.

6 Customized Business Validation:

Customized business rules validations can be incorporated into the application to meet specific business requirements.

7 Minimal Manual Intervention:

The application drastically reduces the need to manually process, compute and file data with the regulator as it can take inputs in multiple formats and generate the output in the desired XML format.

8 User Management Module:

The user management module supports the creation and management of user profiles that can be set up with access rights depending on the type of user.



IRIS Application Commercials and Deployment:

The pricing for the IRIS FATCA Reporting Application is based on the number of licenses and the post-implementation training and support required.

- This application will be a standalone desktop based application. It will be installed in a secure client environment for XML report generation.
- The application can act as a single solution to cater to FATCA reporting requirements for multi-country reporting.
- The IRIS FATCA Reporting Application can be customized to the client's specific business requirements.
- The application runs on minimal system requirements such as the .Net framework and MS Office. We can share further details if required.
- The solution is secure since users do not have to share reporting data with anyone as the application is installed within the client's secure environment.
- The pricing is based only on the number of licenses and not on the number of reports generated through the application, making it a very cost-effective solution.

IRIS' Assisted Services Support: *IRIS' assisted services team works as an extension of the client team to provide trustworthy and efficient after-sales support and services for a smooth and error-free submission. Our experts can provide training, support customizations and also consult with you for any specific business reporting or analytics related needs.*

About IRIS

IRIS Business Services Limited is a leading structured data solutions company with global presence in regulatory and compliance reporting software. The firm is uniquely positioned with offerings across the spectrum of creation, management and use of structured data in the realm of business and financial reporting. IRIS serves a client base that includes regulators in over a dozen countries around the world, leading banks, financial market intermediaries, consulting firms, financial printers as well as large and small enterprises. Our partner network includes the Big 4 accounting firms, system integrators and specialized software and consulting firms that use IRIS' products and expertise to enhance their offerings to end clients.

For more information on the IRIS FATCA Reporting Application, please contact:

Hemant Karale

hemant.karale@irisindia.net

Phone: 022-6723 1026 | Mob: +91 9850904540

Sandeep Dwivedi

sandeep.dwivedi@irisindia.net

Phone: 022-6723 1068 | Mob: +91 9833747645

Gautam Mahanti

gautam.mahanti@irisbusiness.com

Phone: 022-6730 0909 | Mob: +91 9833242464