



CTI Tax Solutions: Tax Reporting

Support for US tax code Section 1441, FATCA, 871(m) and the OECD, Common Reporting Standard reporting

TYPES OF TAX REPORTING

**Forms 1042-S,
1099, 1042,
FATCA 8966,
IGA Schemas**

CRS Schemas

CTI Tax Solutions provides a tax reporting solution to enable withholding agents, financial institutions and filers to comply with US tax reporting and global automatic exchange of information (AEOI) requirements.

Information reporting to the IRS is an ongoing and costly burden for withholding agents. The rules and requirements are complex, and withholding agents risk incurring penalties and fees for failing to report correctly. FATCA further adds to the reporting requirements of US and foreign financial institutions, and keeping up with these changes requires robust and flexible procedures and a reliable reporting system. The introduction of Form 8966 reporting (and the equivalent data under a Model 1 IGA) further adds to the reporting burden institutions face.

CTI Tax Solutions Tax Reporting application provides a solution for IRS information return reports. It supports the latest version of Forms 1042-S, 1099-B, 1099-DIV, 1099-INT, 1099-MISC, 1099-OID and Form 8966. The application was built and updated in accordance with the corresponding regulations, form instructions issued by the IRS, and specifications stipulated on relevant IRS publications 1220 and 1187.

The system enables report generation for direct customers, as well as pooled reporting for direct beneficial owners of qualified intermediation (QIs), and beneficial owner level reporting for payments made to non-qualified intermediaries (NQIs) and flow-through entities.

FATCA support

The application will include logic to manage FATCA reporting, including IGA and IRS Form 8966 reporting. The system will include stored data tables for each reporting jurisdiction to account for variances in the data that is required to be transmitted and differences in schema and method of transmission. The schema will be based on IRS Publication 5124 for general requirements but the application will also accommodate the schema nuances for various jurisdictions that may require additional data elements. The application will also track the requirements of each jurisdiction, including reporting deadlines.

Automatic Exchange of Information (AEOL) support

Information reporting has continued to expand and become more difficult, recent global legislation has introduced additional reporting requirements under the CRS and the Crown Dependencies Overseas Territories (CDOT). CTI Tax Solutions will support the AEOL with respect to all reportable accounts identified by financial institutions on the basis of common reporting and due diligence procedures. The application will generate the file(s) required based on the published CRS schema along with jurisdictional- specific requirements. Additionally, the application will be capable meeting the reporting obligations for all of the UK Crown Dependencies and Overseas Territories utilizing the required CDOT .XML schema as designated by HMRC. The application will be able to provide the appropriate .XML file for upload into the HMRC Gateway.

Flexible

Allows US withholding agents, foreign financial institutions (FFIs) and QIs to generate Forms 1042-S, 8966 and 1099 for submission to the IRS or appropriate jurisdictional agencies, with the ability to produce recipient copies in .PDF format or IRS copies if paper filing is selected.

Reliable

Identifies TIN requirements for reduced rates on certain income type and helps minimize risk of erroneous submissions by rejecting information that does not fit into the IRS e-filing schema and identifying when imported information does not fit into a common or expected reporting format, such as mismatched income and exemption codes or recipient codes.

Ease of use

User friendly interface, enabling users to generate reports without requiring tax subject matter expertise.

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