

CRS & FATCA

Compliance Solution



Overview

The tax information landscape becomes more complex every day. Ensuring compliance becomes more challenging with the introduction of new and evolving regulations. To ensure compliance in such a dynamic landscape, FIs have to introduce new procedures. However, resource constraints, inadequate technological prowess, data security issues and uncertain costs remain burning concerns.

CRS and FATCA

Common Reporting Standards (CRS) and the Foreign Account Tax Compliance Act (FATCA) have impacted financial institutions (FIs) and the governing tax authorities around the world, along with companies involved in investing or trading. To ensure effective compliance and risk management, these institutions are investing in finding ways to simplify the complex process of complying.

FATCA (Foreign Account Tax Compliance Act) was established to counter US income tax avoidance. It created a new model of information reporting and withholding regime for payments to FFIs and tax authorities. Following this, the Organisation for Economic Cooperation and Development (OECD) developed the CRS (Common Reporting Standards) as a global reporting standard for the Automatic Exchange of Information (AEOI). It helps tax authorities and FIs gain a better understanding of financial assets held by their residents abroad.

Key Challenges for Businesses

Although CRS and FATCA share several similar characteristics, there are differences that make universal compliance complex and challenging. CRS and FATCA pose some unique challenges that lead business to alter their operational processes. Businesses now have to make provisions for additional steps in their customer on-boarding as well as KYC processes. Businesses will also be challenged in terms of handling high net-worth relationships. The predominant challenges posed by CRS and FATCA are:



Compliance Gets Tougher

A major challenge is to manage complex high net worth relationships so as to avoid non-compliance, loss of accounts and steep financial penalties



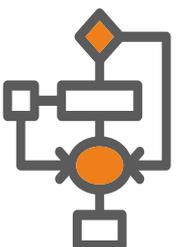
Disruption of Onboarding Processes

Processes such as customer onboarding will witness a lot of change. KYC processes have to be updated to accommodate additional information. This will result in lengthier and complicated forms, leading to extended onboarding time for customers



Auditing Existing Records

Assimilating information for existing clients and making sure that it is accurate will drive up overheads and time costs



Complex Workflow

CRS & FATCA compliances are likely to increase the number of operational transactions within the organization. There will be a greater movement of information and a large number of rule-based access systems and points will have to be created. Mechanism should be in place for reporting/sharing of accounts with desired tax jurisdictions in right formats. This will only create a complex workflow and hamper turnaround times. Data accuracy and security will also suffer

Newgen's CRS and FATCA Solution

Newgen offers a single platform for FATCA & CRS compliance that ensures comprehensive reporting and documentation. The solution offers simplified and effective regulatory compliance and risk management.

Newgen offers a robust solution that ensures reporting activities are completed without disrupting other core activities, as the solution acts as a layer on top of the existing core banking systems. Furthermore, the solution classifies documents, while maintaining and reporting requisite KYC details. Through streamlined workflow automation of the due diligence processes, relationship managers can handle multiple complex customer relationships providing better visibility, control and data security.

The solution streamlines procedures and reduces resource requirements, reducing turnaround times and operational costs. With its legacy of 25 years, Newgen has the requisite expertise and knowledge to offer future-proof solutions to keep up with evolving regulations.

The Solution offers some unique benefits through various stages of the FATCA Compliance process:

Initiation

- Accurate and fast aggregation of customer records preventing loss of time during on-boarding and data accumulation
- Seamless integration with core systems preventing disruption of other key processes
- Pre-Configured Presumption and Classification Rules assisting complete compliance
- Agile Rules Interface for easy change management, enabling Suspect Handling and Exception Management
- Electronic search and automatic tagging and classification
- Change in circumstance management

Remediation

- Efficient workflow and case management capabilities backed by Newgen's award winning workflow and case management solutions
- Flexible and automated customer communication management, enabling better customer services and preventing loss of high net-worth accounts and clients
- Exhaustive audit trails of all actions

Decision Making

- Complete data and document validation and tracking
- In-built rules and validations to ensure correct decisions
- Comprehensive pre-configured reports and dashboards for reporting and monitoring

Archival

- Creation of complete case-by-case repository
- Easy archival and extraction of information like documents, cases and records
- Comprehensive data security



Key Features

We understand the unique challenges faced by FIs and tax authorities while complying with CRS and FATCA. Newgen's CRS and FATCA solution has been created keeping these challenges in mind and offers comprehensive features such as:

- **Future-proof** - The solution is future proof. It adheres to current requirements and has the capability to adapt as per future requirements. It can be readily adapted to changing regulatory requirements
- **Unified Platform** - The solution offers a single platform for both CRS and FATCA compliance. It caters to the unique requirements of both compliances and reduces dependence on multiple technologies
- **Presumption and Classification Rules for Identification** - Newgen's solution has preconfigured rules for the identification of Suspected and Determined reportable customers
- **Efficient and Intelligent Workflow** - The solution contains workflow and Case Management capabilities for remediation and due diligence of reportable customers
- **Exception Management** - The case management tool of this solution effectively handles unique scenarios and ad hoc requirements
- **Customer Communication Module** - The customer communication module of this solution helps relationship managers can manage complex high net worth relationships. The solution offers comprehensive automation of communications to clients, to reduce manual effort, while driving context in the content
- **Real time Reporting and Monitoring** - The solution provides investigative, operational and functional dashboards for a 360 degree view of the entire process. Further, it offers automatic generation of reports of all determined and recalcitrant individuals
- **Document Management** - All documents and data are archived and stored in the underlying document management module for easy access, search and retrieval
- **Audit Facilitation and Notifications** - The solution offers comprehensive case-based audit trails, logging of customer communications, automated risk rating and easy sorting of cases

About Newgen

Newgen Software is a vendor/provider of Business Process Management (BPM), Enterprise Content Management (ECM), Customer Communication Management (CCM), Document Management System (DMS), Workflow and Process Automation software. The company has a global footprint in over 60 countries with large, mission-critical solutions that have been deployed in Banks, Insurance firms, BPO's, Healthcare Organizations, Government and Telecom Companies.

FOR SALES QUERY DIAL

AMERICAS: +1 (202) 800 7783

AUSTRALIA: +61 290537174

INDIA: +91 11 40773769

APAC: +65 3157 6189

MEA: +973-1-619-8002, +971 44541365

UK: +44 (0) 2036 514805

WRITE TO US

info@newgensoft.com



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<https://newgensoft.com>