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FATCA and CRS Clarified with International Tax Co-Sourcing Solution During COVID-19 Pandemic

Client Profile

Industry:	Private Equity
Entity Type:	Partnership & Corporation Investment Funds
Ownership Structure:	Complex Tiered Partnership
Geographic Footprint:	Offices in U.S. and UK
Assets under Management:	+\$45 Billion
Co-Sourced Resources:	4 Employees

Fine-Tuning FATCA and CRS Compliance Processes in Any Environment

Issue

A private equity firm with over 200 foreign financial institutions (FFIs) formed across 14 jurisdictions, containing a significant volume of investors in even more jurisdictions, needed assistance complying with the U.S.' Foreign Account Tax Compliance Act (FATCA) and the Organization for Economic Cooperation and Development (OECD)'s Common Reporting Standard (CRS) regimes.

Solution

Working as an extension of the firm's tax department, CBIZ organized historical FFI FATCA and CRS metrics, registered newly formed FFIs with the IRS and identified reportable account holders for the two regimes, all while coordinating 2019 reporting with the firm's service provider.

Our team reassessed internal roles and responsibilities and established written policies and procedures for registering and reporting across all applicable jurisdictions. We kept pace with local legislative developments and mitigated missing and invalid account holder documentation to enable proper identification of reportable accounts.

Outcome

Through our co-sourced solution, the firm received detailed trackers, policies, and procedures to evidence FATCA and CRS registration and reporting compliance across its 200+ FFIs, including opportunities to automate reporting in subsequent years. Our systematic approach enabled the firm to timely meet FATCA and CRS obligations even during the COVID-19 pandemic disruption that led to remote work scenarios for the tax team, local taxing authorities, and third parties.

Private equity firms often organize entities, and solicit investors, outside of the U.S. which creates FATCA and CRS exposure. The FATCA and CRS due diligence standards require each of those FFIs to determine their FATCA and CRS classifications, as well as those of their account holders (investors), for annual reporting.

Our co-sourced tax department solution helps streamline FATCA and CRS compliance by ensuring data is organized and filing procedures are up-to-date across applicable taxing jurisdictions. This detail-oriented approach, and our technology, help ensure that deadlines are met despite unexpected business disruptions.



For more information about our international co-sourcing services, contact Practitioner Heather Brown.

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