



# EasyTax – International Client Tax Calculation & Reporting

## One software for off- and onshore booked client tax calculation/booking and reporting

In the wake of the upcoming regime of CRS (Automatic Exchange of Information), many banks are in the process of better aligning their tax system processes and IT-architecture. Increasingly, financial institutions are starting to look for a consolidation of their tax application landscape. Some banks have already started to combine the tax applications used in their onshore markets with those used in the offshore markets.

The following example illustrates this consolidation: A global banking group, headquartered in France with a wealth management subsidiary in Switzerland. It has a French tax domiciled client who is both a client locally in France and also in the Swiss entity. In Switzerland, the bank provides a French tax report which allows the client to properly fill the tax return in France. And in France, the bank is applying the source taxation rules under French tax law. Since this bank is using only one tax engine, the client, in the end, receives the same level of quality in the service.

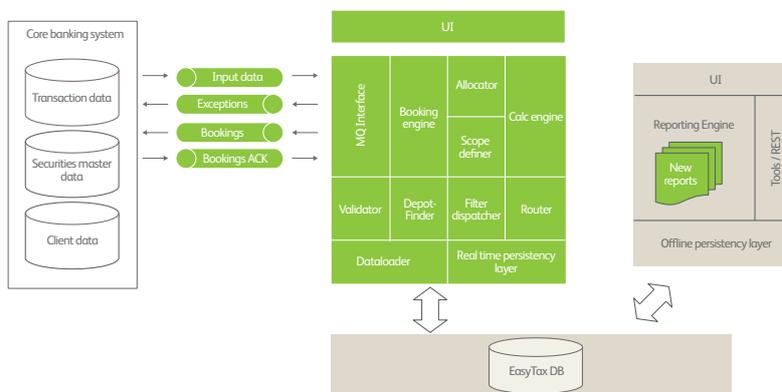
BearingPoint is extending the current EasyTax application to include onshore taxation in order to benefit from this mind-shift in the market.

### The new EasyTax off- and onshore architecture

A real-time calculation platform forms the central underlying basis component of all onshore modules together with an extended data model. These components build up a technical onshore framework which is required in addition to the separate onshore modules and the off-line reporting engine.

The calculation & booking engine and the offline-reporting engine are closely linked via the same data model and a shared database.

The following picture depicts the high-level solution design and the most important components.



The solution is split in two parts – The new real time calculation engine and the existing offline reporting engine, both coupled via the same data model and a shared database.

The calculation engine is designed for headless operation and tight integration with the core banking systems via MQ.

The functional scope of the solution is streamlined in order to meet client’s requirements and with the goal to achieve a high STP rate and simple and robust operation.

#### Key features of our solution

All modules of the EasyTax international platform follow the same principles and features; therefore, they provide a common scope regarding instruments and transactions, but with jurisdiction-specific treatment and calculation rules.

#### In-house & outsourcing

Besides classical in-house operated solutions, EasyTax is also offered by multiple cooperating business-process outsourcing providers, such as Deloitte Tax Reporting Services as well as by transactions banks since 2007. Furthermore, multiple client banks run it at centralized shared-service centers in order to produce tax reports for multiple legal entities across countries.

#### Backed by Big 4 tax concepts

Since the initial product launch, our modules are based on tax concepts provided by Big 4 tax advisors. These advisors not only provide the initial concept but also monitor and address regulatory changes.

# France onshore module

## Instrument & transaction coverage

The functional scope in terms of the instrument and transaction coverage is in line with the corresponding EasyTax FR offshore reporting module. The reason for this is that EasyTax uses a unified data interface of all modules with only few additional module specific attributes.

Instrument coverage include safekeeping accounts (incl. cash accounts and alike), securities (shares, bonds, options, futures, etc.) and collective investments (funds). The PEA (Plan d'Epargne en Actions) taxation events and the IFU reporting are newly covered in the FR onshore module.

The scope of events is:

- Income payments (coupon, dividend, distribution): taxable and reportable
- Redemption/Maturities (on bonds, structured products and funds (= liquidation)): taxable and reportable
- Sales: proceeds and capital gain/loss are reportable only (no taxation)
- Corporate actions: taxable and non-taxable taxable corporate events
- Credit interests: taxable and reportable
- Time Deposit interests: taxable and reportable
- Tax refunds: taxable and reportable

## Client coverage

The following types of clients are covered:

- Individuals and companies
- Resident and Non residents
- Clients in scope for Prélèvement Obligatoire
- Clients wishing not to be in scope for Prélèvement Obligatoire - under specific income earned threshold – (minority)

## Report coverage

The EasyTax France onshore module provides the following reports:

- Form 2777 (to pay the French Tax to the French Tax Authorities on a monthly basis)
- The FR onshore module provides a calculation of the pre-payment of social contributions to the FR tax authorities, which is due yearly in October for the months December and January. This calculation is part of the reporting solution for tax form 2777.
- Imprimé Fiscal Unique = IFU = French tax reporting (disclosure of information to the tax authorities):
  - Official statements generated for the clients
  - RCM txt file sent to the Tax Authorities
- Capital gain and loss reporting for French residents and individuals:
  - Realized capital gain report (extension to the client IFU report, to enable clients to benefit from a partial tax exoneration on capital gains): includes capital gain/loss split by period of abatement
  - Holding duration reporting on assets eligible for abatement: Reporting of client positions and corresponding lots, to help clients in deciding on when to sell stocks in order to optimize holding duration abatements.

## About BearingPoint RegTech

With its RegTech product line, BearingPoint is a leading international provider of innovative regulatory and risk technology solutions (RegTech and RiskTech) and services across the entire Regulatory Value Chain for Financial Services. Customers representing 4,400 firms worldwide, among them large international banks, a major part of the largest European banks, leading insurance companies as well as supervisory authorities and central banks, trust BearingPoint's RegTech products and services. We work closely with regulators and as a member of standardization bodies such as XBRL consortium, we actively contribute to the process of standard setting. We combine our regulatory expertise with our proven, reliable and future-oriented product suite and expert consulting capabilities as well as training seminars and managed services.

[www.reg.tech](http://www.reg.tech)

[www.bearingpointabs.com](http://www.bearingpointabs.com)

## FiTAX – BearingPoint's complementary tax software to EasyTax

FiTAX is a standard tax solution for QI, EUSD, FATCA, UK-FATCA and CRS/AEOI reporting. It helps financial institutions to produce tax reports required by tax authorities in more than 80 countries. FiTAX handles all fiscal reporting processes and can produce reports/electronic deliveries for many countries from a single centralized platform.

Due to continuous changes in tax regulations, FiTAX has been continuously developing since 2001. Today, more than 70 leading financial groups representing over 2500 financial institutions across 80 countries use FiTAX as their main tax reporting solution.

Combined with EasyTax (our clients' tax reporting solution), financial institutions get a one stop shop solution, covering both client and regulatory tax reporting and therefore enabling a harmonized data management.

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