



Arendt
regulatory
& consulting

FATCA & CRS reporting solution

CRS reporting introduction and updated FATCA scheme

The **OECD Common Reporting Standard** (“CRS”), which is in force since 1 January 2016, creates the obligation for Luxembourg Financial Institutions (“FIs”) to report (the “CRS report”), on an annual basis, detailed personal and financial information (the “Information”) concerning certain account holders that have been identified and classified as reportable by the FIs to the Administration des Contributions Directes (the “ACD”).

At the same time, reporting obligations related to the **Foreign Account Tax Compliance Act** (“FATCA”), introduced in 2015 and conceptually similar to CRS, will be enhanced with the introduction of financial information not requested so far. Although both reporting schemes seem to converge, practical implications have shown that FIs will have to implement different and country-specific transmission protocols and schemes.

New challenges: similar data but higher volumes & different formats

While ensuring maximum consistency, quality and adequacy, FIs will have to face **new challenges**, both in terms of data collection (ongoing due diligence and tax residency updates) and reporting generation (increased data volumes and data conversion with local XML formats). What was already seen as time-consuming in the context of FATCA will be far more important with the introduction of CRS. As a consequence of the higher volumes, a **standardised approach** is probably worth considering.

Manage your FATCA & CRS reporting

Arendt Regulatory & Consulting has developed a flexible reporting software in collaboration with Nowina, a Luxembourg firm expert in eSignature and ‘paperless’ digital processing. This solution, known as “Arno”, allows the FI to choose between sending out its data for processing and reporting or performing the analysis and producing the report in-house.

Arno harmonizes the treatment of financial accounts and guarantees up-to-date technical standards, enabling FIs to deal with FATCA and CRS data from a single, easy to use platform.

Arno, your FATCA & CRS reporting solution



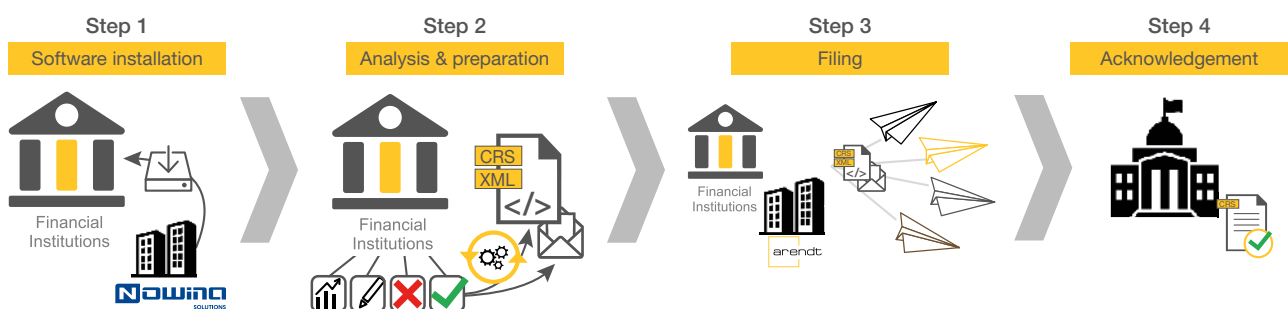
Arno is the result of the combined expertise of Arendt Regulatory & Consulting and Nowina in the design and implementation of data management straight-through processes. It incorporates a set of features that allow the user to focus on its business contribution rather than on technical considerations:

- Effortless generation, review and correction of FATCA and CRS data;
- Production of tailored client notifications directly sourced from validated FATCA and CRS data;
- Production of XML reports compliant with local tax authorities requirements (multi-country capabilities);
- Ad-hoc support or outsourcing for the filing of XML reports with the local tax authorities.

How to use Arno?

1. Arno as a “Product”

The FI installs the software in its infrastructure, uploads its data into Arno, performs its quality review through the built-in functions, produces its notifications and report(s), and files with the authorities.



2. Arno as a “Service”

Arendt Regulatory & Consulting gathers the FI data, ensures quality and comprehensiveness, produces the client notifications and the report and files with the authorities.



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