

Tax

Technology at the heart of tax outsourcing

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In an increasingly complex tax environment, financial players are seeking to rely on trusted partners. They are keener than ever to avail of the opportunity to turn to service providers combining tax and legal expertise with technological solutions in order to manage their regulatory obligations and operational tax claims (FATCA/CRS analysis and documentation, tax returns, tax claims, etc.)

Financial players operating in an international environment are confronted with numerous different tax regimes and rules. In recent years, regulations such as the FATCA and CRS laws have forced them to be more transparent. Beyond that, all players need to be able to juggle the reporting obligations of the jurisdictions in which they operate with opportunities to recover taxes overpaid by the various tax administrations. *“To manage these aspects, investment funds and asset managers, banks and investment companies need to rely on legal and tax expertise as well as on advanced technological solutions,”* explains Farah El Messiri, a tax manager

with Arendt Services. *“Changes in tax regulations from one jurisdiction to another, as well as changes to the processes of tax authorities, require regular adjustments to IT systems. Increasingly, stakeholders are looking for ways to address these issues more effectively.”*

Tax expertise combined with technology
Since the introduction of FATCA/CRS, Arendt supports its clients with a dedicated reporting technology solution. *“Considering the complexity associated with the tax reclaim process in a heterogeneous and ever-evolving environment, the idea was to go even further in terms of operational taxation for the Arendt*

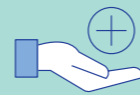
“Banks and investment companies need to rely on legal and tax expertise as well as on advanced technological solutions.”

Farah El Messiri
Tax manager at Arendt Services

group,” says Yann Fihey, a partner within Arendt Regulatory & Consulting. *“Starting with the firm’s legal and tax expertise and relying on the local relays that comprise our network of partners in Europe, the idea was to offer an advanced solution. With our technological expertise – thanks in particular to the acquisition of digitalisation and robotisation specialist Mobilu – and the ability to assist market players due to our status as an FSP, it was possible to implement an operational management service to address the tax issues of each of our clients.”*

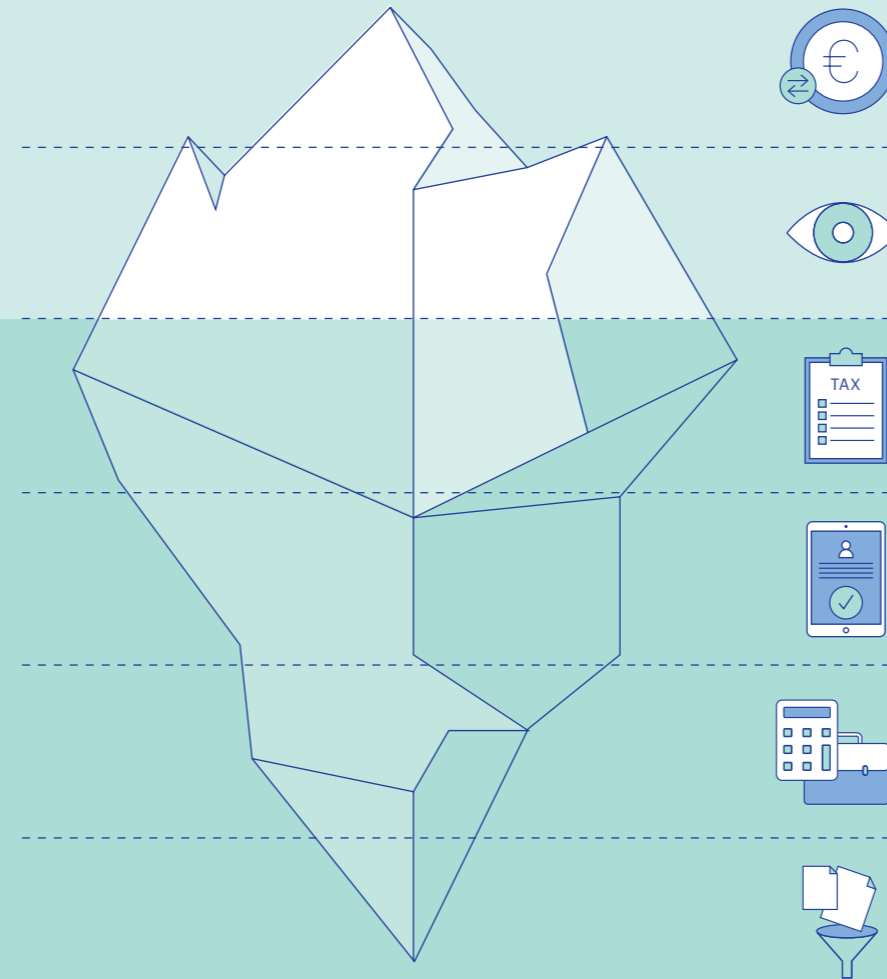
Reducing the burden, guaranteeing control
Arendt’s new Operational

TAX RECLAIM PROCESS



How technology is key for outsourcing services?

- Transparency and trust
- Flexible and up-to-date process
- Integrated and secured web platform
- Reliable WHT experts



6 REIMBURSEMENT & ALLOCATION
Reimbursement of the claim by foreign tax authorities and preparation of the allocation of income for the client’s finance department

5 TRACKING OF CLAIM
Follow-up of the claim with foreign tax authorities available on the client platform

4 FILING OF THE WITHHOLDING TAX (WHT) RECLAIMS
Preparation and filing of the WHT reclaims before the respective tax authorities

3 DOCUMENTATION COLLECTION & PRODUCTION
Preparation of the claim documents electronically validated and signed by the client

2 BUSINESS CASE
Production of the Business case and upload on the platform. Validation of the claims to process by the client

1 DATA COLLECTION
Collection of payment data from custodian

CLIENT

ARENDT

“Without having to assume the administrative burden, the client benefits from increased visibility”

Yann Fihey
Partner at Arendt Regulatory & Consulting

Tax service is a response to the growing complexity of tax affairs and the requirements of stakeholders – made more urgent by COVID – to use efficient operational solutions. *“Outsourcing the operational management of tax concerns offers financial players reassurance. They can be sure that their tax obligations will be fulfilled in accordance with the constraints imposed by the various jurisdictions,”* says Farah El Messiri. *“The technology combined with tax expertise, moreover, allows us to considerably reduce the administrative burden required while allowing players to benefit from the ‘pooling’ effort. The group’s teams keep*

a close eye on regulations while constantly adapting digital tools and procedures in line with local and international trends.”

Increased visibility
Helping stakeholders, the service makes it easier to assess the opportunities for initiating tax reclaim procedures to recover sums withheld at source that constitute an overpayment by the local tax administration under the current system. *“Without having to assume the administrative burden, the client benefits from increased visibility of each case throughout the operational management process, which consists of seven stages. Using the tool, the client*

can follow the files securely – analyse the opportunity, consider the various local or international legal aspects, effectively recover any overpaid tax, by submitting the necessary documentation, opening the file and processing it”, observes Yann Fihey. Ultimately, the client benefits from better control of costs and risk inherent in tax optimisation. ■

More information about our Tax Reclaim solution

