



REGIONAL COMPLIANCE CONSULTANTS



Presenter:

B. Roxanne Forde



Established in
May 2013,
Our Mission is:

“To Provide Practical Regulatory Compliance
Solutions and Guidance to Small and Medium
Enterprises (SME’s) in the Region”.



Our Target Clients

- Accountants
- Advisors
- Attorneys
- Credit Unions
- Investment Advisors
- Financial Institutions
- Insurers – Agents & Brokers
- Jewellers/ Dealers of precious metals
- Motor Vehicle Sales
- Non-Profit Organizations
- Private Members Clubs
- Realtors

Our Clients

Since inception, we've served both FI's and Listed Businesses, here are a few of our clients...

- Agostini Insurance Brokers Ltd.
- AON Energy Caribbean
- Aspire Fund Management
- ATTIC/TTII
- Bank Employees' Credit Union Co-operative Society Ltd
- Bell Insurance Services Ltd
- Charlett & Gatcliffe Insurance Brokers Ltd
- D. Chan Real Estate Investments Ltd
- Guarding Life & Guardian Holdings
- Gulf Real Estate Ltd

Our Clients

Since inception, we've served
both FI's and Listed Businesses

- Hardath General Insurance Consultants Ltd.
- Insurance Industry Credit Union Co-op Society Ltd.
- Insurance Brokers West Indies (IBWIL) Ltd.
- Lambeau Credit Union Co-op Society Ltd.
- NCB Capital Markets Trinidad & Barbados
- Norman Gabriel Insurance Brokers Ltd.
- Raymond and Pierre Ltd.
- Rehab Credit Union Co-op Society Ltd.
- Tatil & Tatil Life Insurance Co. Ltd.
- Toyota Trinidad & Tobago Ltd.
- Transcorp Credit Union Co-op Society Ltd.

Our Services

Development of Risk Based Compliance Programmes

AML/CFT/PF Risk Assessments

AML/CFT/PF Annual Targeted Training

Revision and updates of AML/CFT Policies, Procedures and Processes

Regulatory Reporting and Action Plan Monitoring

Internal & External AML/CFT Compliance Audits

Referrals to Solution providers for AML/FATCA/ CRS

Quarterly Transaction Monitoring and Analysis

Agenda

- Introduction to RCC And TransWorld Compliance
- Overview and update of the Common Reporting Standard - **CRS** requirements
- FATCA TIN updated
- FATCA -non-compliance
- Demo **CRS/FATCA One** reporting software
- Q & A

Objectives

- Provide Attendees with highlights of **OECD CRS** updates.
- Share resources to learn more about the benefits of **CRS/FATCA Reporting**
- Demonstrate the benefits of **CRS/FATCA One** for **FI's** and **Tax Authorities**

From January to June 2022, there were approximately US\$4.8 billion in fines from 37 competent authorities in 21 jurisdictions.

In August 2022, the OECD approved the **Crypto-Asset Reporting Framework** (CARF) which provides for the reporting of tax information on transactions in Crypto-Assets in a standardized manner.

Goal is automatic exchange of information on reportable Crypto-Assets

CRS - The Common Reporting standard calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis.

The Standard consists of the following four key parts:

- A model Competent Authority Agreement ([CAA](#)), providing the [international legal framework](#) for the automatic exchange of CRS information;
- The [Common Reporting Standard](#);
- The [Commentaries](#) on the CAA and the CRS; and
- The [CRS XML Schema](#) User Guide

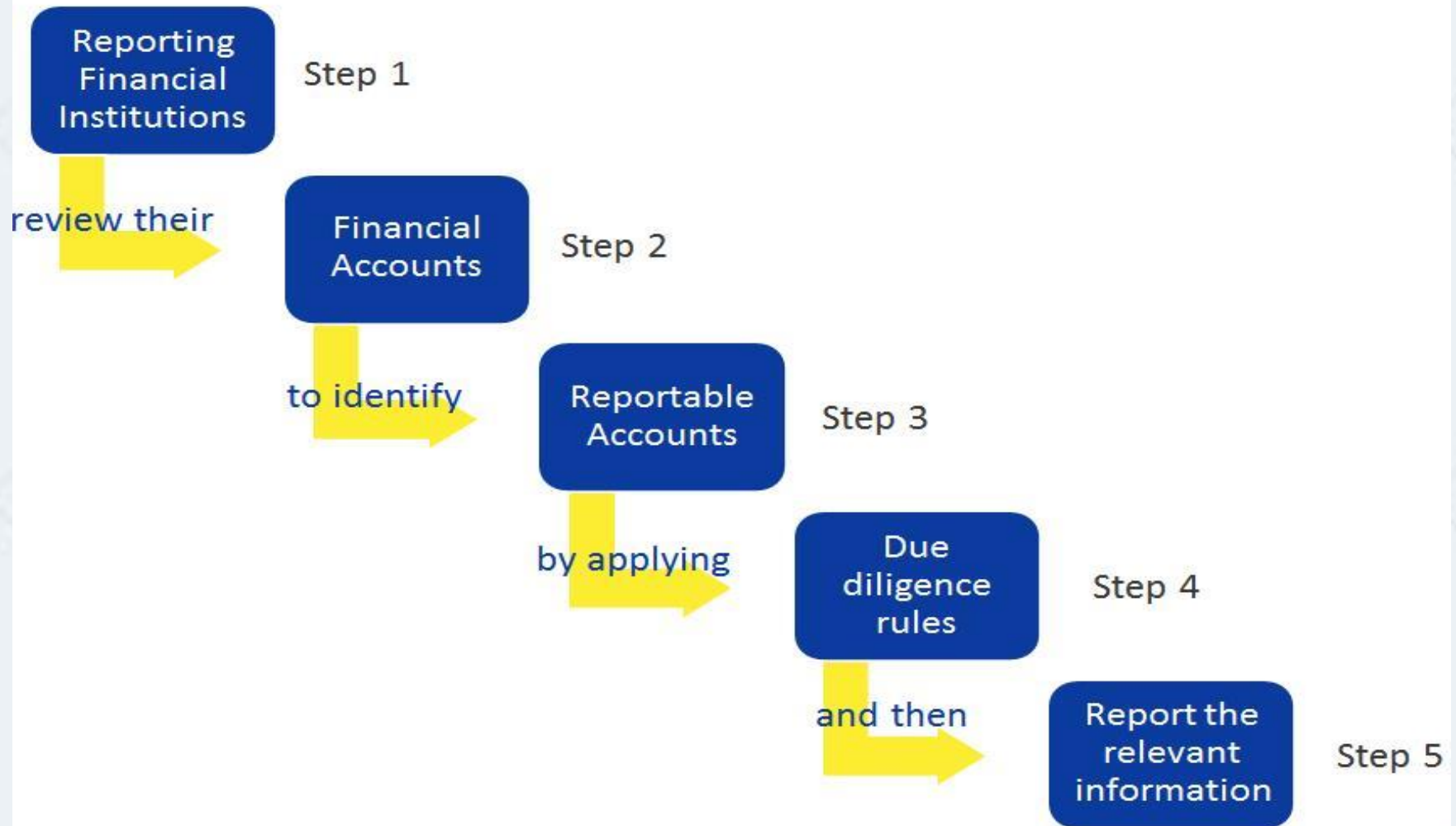
CRS Regulation in a nutshell:

- The information is exchanged annually between the jurisdictions for which the convention is in force and in effect;
- All financial institutions (banks, brokers and insurance companies) are reporting the same information;
- The information reported concerns individuals and entities;
- Personal details of the account holder, account identification details, account balance and financial information will be reported;

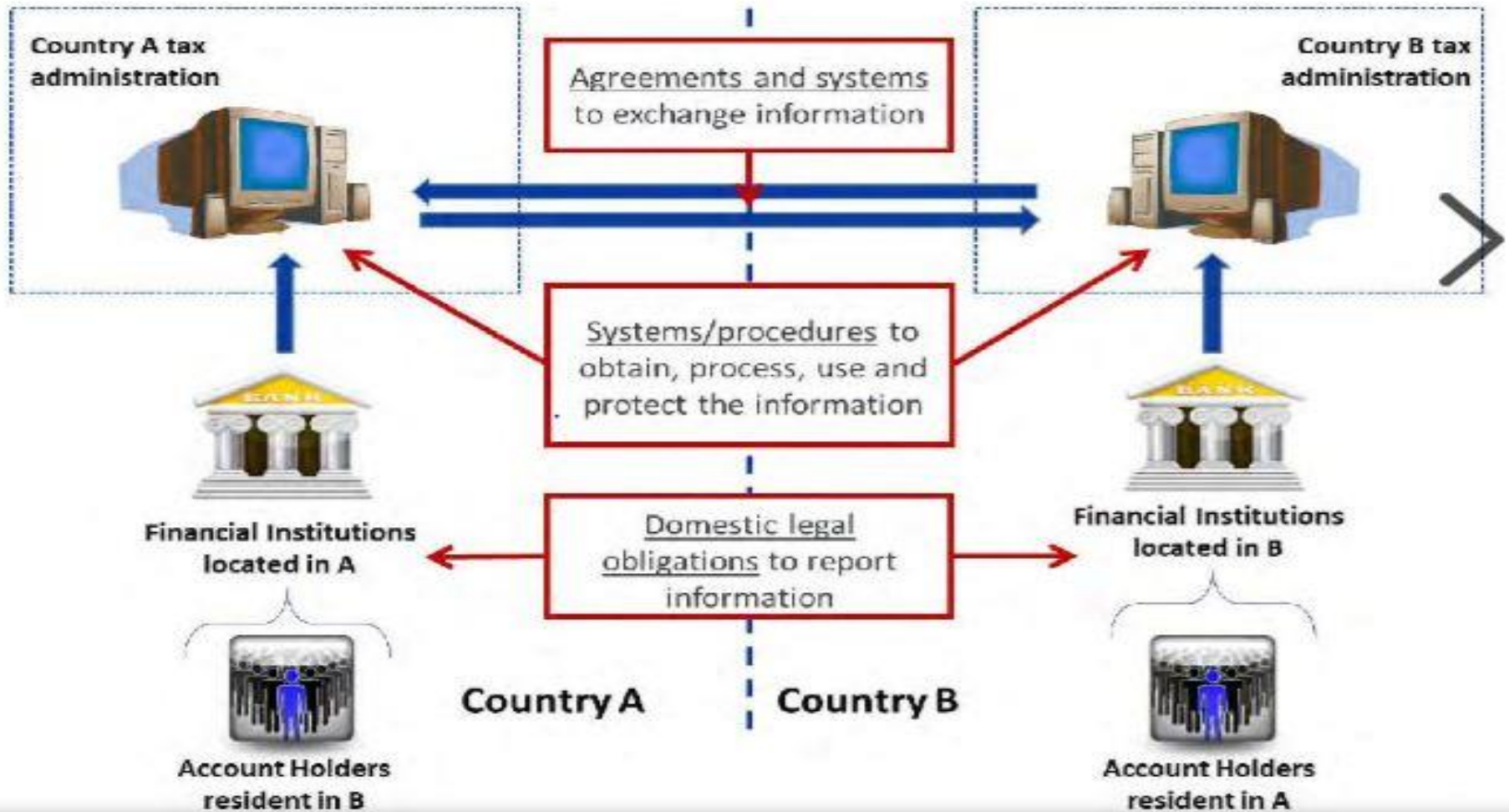
County by Country (CbC) Reporting As of October 2022

- The first automatic exchanges of CbC reports took place in June 2018.
- There are over 3300 bilateral exchange relationships activated with respect to jurisdictions committed to exchanging CbC reports as at 10.2022

An overview of the CRS : 5 steps



The Basic Framework



HIGHLIGHTS OF CRS-THE TWO PILLAR SYSTEM

- **Aim:** To restore confidence in the system and ensure that profits are taxed where economic activities take place and value is created
- The two-pillar solution to address the tax challenges arising from the digitalisation and globalisation of the economy
- Taxing rights for market jurisdictions and put a floor on tax competition through
- Creation of a global 15% minimum effective corporate income tax rate.

INCLUSIVE FRAMEWORK ON BEPS

(base erosion and profit shifting -BEPS),

- **Pillar One**
 - Designed to ensure a fairer distribution of taxing rights among jurisdictions over the largest and most profitable multinational enterprises (MNEs) **is now expected to allocate taxing rights on about USD 200 billion in profits to market jurisdictions annually.**
 - Expected to lead to annual global tax revenue gains of between **USD 13-36 billion, based on 2021 data.**

INCLUSIVE FRAMEWORK ON BEPS

Pillar II

- Expected annual global revenue gains of around **USD 220 billion**, or **9% of global corporate income tax revenues**.
- Expected significant increase over the OECD's previous estimate of **USD 150 billion in additional annual tax revenues** attributed to the minimum tax component of Pillar Two.

CRS Practical Implications

- Data gathering becomes more important on all levels;
 - Data quality is a challenge for all institutions;
 - Flexibility is key to keeping the pace with changing regulatory demands;
- **All Financial Institutions** will be analyzing solutions in-house or will be buying them from the market tools;
- The decision depends on the resources (IT and Staff);

About Us

Since 2014, Trans World Compliance (TWC) had been developing compliance software focused on providing the highest quality CRS, FATCA and BEPS solutions for Financial Institutions (FI) and Tax Authorities (TA). With offices in United States, Europe, Latin America, the Caribbean and a network of partners in Asia and Africa, TWC takes the complexity and hassle out of FATCA, CRS and BEPS Compliance.

TWC has over 100 clients in 80 countries that use the solutions to streamline their regulatory reporting processes.

Through its flagship product, CRS/FATCA One, TWC saves time, lowers costs and improves accuracy for compliance with international tax regulations and mandates by centralizing data, raising flags, tracking remediation, automated reporting, and providing an independent 3rd party audit of policies and procedures.



TRANS WORLD
COMPLIANCE



Trans World Compliance - Who we are.pdf



TRANS WORLD
COMPLIANCE



▪ FATCA PENALTIES FOR INDIVIDUALS

- Failure to report foreign financial assets carries a penalty of **10,000 USD**
- Continued failure to report increases the penalty to **50,000.00 USD**
- Underpayment due to non-disclosure realizes 40% penalty

▪ PENALTIES FOR FINANCIAL INSTITUTIONS

- Withholding information by FFI (foreign financial institutions) to their local taxing authority or to the IRS can result in a 30 percent withholding penalty being assessed against the bank's U.S. asset

IRS NOTICE 2023-11 FOR FATCA REPORTING UPDATE

- Notice 2023-11, dated January 3, 2023, temporarily relaxes a number of reporting requirements for certain foreign financial institutions (FFIs) in Model 1 IGA jurisdictions
- Notice 2023-11 deals with technical reporting issues surrounding the handling of missing Tax Identification Numbers (TINs)

- **IRS NOTICE 2023-11 FOR FATCA REPORTING UPDATE**

- The FFIs will not be treated as non-compliant and therefore not exposed to withholding provided, as to each account with a missing TIN, it obtains and reports the date of birth of the account holder and, it requests annually from each account holder a TIN.

- The FFIs will not be treated as non-compliant and therefore not exposed to withholding provided, as to each account with a missing TIN, it obtains and reports the date of birth of the account holder and, it requests annually from each account holder a TIN.
- Also, the FFI must annually search electronically all “searchable” data for any missing TINs.
- For accounts missing a required TIN, in its reports to the IRS, it must report using special TIN codes issued by the IRS.
- In short, in the “TIN field”, in the form of a series of numbers, must be inserted

- There is an existing set of TIN codes which was released in 2021. (<https://www.irs.gov/businesses/corporations/frequently-asked-questions-faqs-fatca-compliance-legal#reporting>)
- There will be, many more TIN codes and they will be quite specific and carefully crafted. **It will no longer be possible simply to say it is missing or the taxpayer didn't provide one. In effect, saying that "my dog ate my homework" will not suffice.**
- The Notice foreshadows that more TIN codes will be announced quite soon – early this year. These will be very important.

IRS NOTICE 2023-11 OBLIGATIONS FOR EACH JURISDICTION

- The Notice places requirements on the foreign jurisdiction, not merely the individual FFIs.
- The jurisdiction must make “good faith efforts, **by the date that is nine months after the end of the calendar year to which the information relates,**” to do several things.
- It must encourage US citizens resident in the jurisdiction to provide TINs to FFIs when requested .
- It must take measures to enforce compliance by reporting FFIs identified by the US Competent Authority as potentially noncompliant

- **IRS NOTICE 2023-11 OBLIGATIONS FOR EACH JURISDICTION**

- It must encourage FFIs located in the jurisdiction to not discriminate against US citizens that do provide TIN.
- Lastly, if requested, it must take steps to conclude Competent Authority Arrangements, akin to IGAs, with the US, so as to implement an IGA, to amend an annex to an existing IGA or to exchange country-by-country information. A “sweetener” of sorts is added in that the jurisdiction can be deemed to have complied as to 2022.

References

- <https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/CRS-related-FAQs.pdf>
- [Summary of Key FATCA Provisions | Internal Revenue Service \(irs.gov\)](#)
- <https://www.americansabroad.org/news/irs-notice-202311-for-fatca-reporting-update/>
- <https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/CRS-related-FAQs.pdf>
- [South Africa Revenue Service](#)

Our Team



Kingsley Jerome
B. Comm, AIAA,
FLMI
Director



Le-Ann Alexis
RN
Director

Our Team



B. Roxanne Forde.
MA, AIRC, ALMI, ACS, CAMS
Director, Principal Consultant



Yolán Jobe
LCCI, Cert
Junior Consultant

Contact Us

#97 Saddle Road, Maraval.

868.684.4369

brforde@rcctandt.com

admin@rcctandt.com

