



iPACS Investor Reporting Solutions

A single provider for all your
global investor reporting needs



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Global investor tax reporting is more complex today than ever before, for a growing number of reasons. Governments are creating additional investor tax reporting regimes, alongside continuously evolving those that already exist. Distribution models are broadening with new investor markets being identified by the investment management industry. The role of the transfer agent and the development of blockchain / AI ledgers also adds a new dimension to today's investor tax reporting model.

In addition to the compliance obligations on the manager, to ensure a competitive edge, houses are looking more closely at the delivery of investor tax reporting services. There is only ever one set of true data for a fund holding, distribution or accumulation of income at any given point in time. This data may need to be sliced a number of times in different ways to address the reporting requirements for each investor market. Keeping up to date and aware of how that data needs to be cut, enhanced, transformed or cleansed for global investors is critical but low value add work for the tax function.

Our global team have designed and developed a single investor tax reporting service, enabled by our iPACS technology, for global distribution models, covering all main fund ranges. The underlying data is extracted by Deloitte directly from fund administrators, removing the need to request this data from clients. Our algorithms cut, enhance, transform and cleanse that data to address these individual market reporting needs. The resulting reports are signed off in each relevant country by local subject matter experts.



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Investor Tax Reporting

Investors in any given distribution market are required to pay local income and capital gains taxes, where such regimes exist. In order to report the correct amount to the local authorities, the information they are provided with by the fund manager needs to be complete and accurate.

As global fund ranges become more accessible to the retail and institutional investor, the complexity of investor tax reporting increases. Each local tax authority requires different data sets of reportable income and gains derived from the income and capital growth of the assets that a fund holds. The detail of the reportable information may differ for funds located outside the investor's country of tax residence to funds located in the same jurisdiction. The asset class holdings and the type of unit an investor holds will also affect the detail that a manager is required to provide to an investor.

The various European investor tax reporting regimes are particularly hard to navigate due to the number of different investor locations and individual rule sets. The UK Offshore Funds legislation has its own complex rules for ensuring offshore income is not rolled up and taxed at lower capital gains rates. Denmark, Sweden, Norway, Austria, Germany, France, Switzerland, Belgium and Italy also require similar levels of detail to ensure income is taxed at the appropriate rate.

Constantly growing regulatory requirements, e.g. the Capital Requirements Directive, Solvency II and French PEA rules, in addition to the impact of Brexit, amplify investor demands on the fund manager with an increased need for transparency of business activities.

The US investor reporting regime is on an equal scale of complexity due to the number of state and federal reporting requirements and the scale of the industry. Other investor markets with fund reporting needs include Chile, South Korea and Norway.

Investor Tax Reporting Summary

	Daily tax	Tax registration	Annual tax	Ad-hoc
Austria	–	OeKB	DDI	Distribution reporting
Belgium	B-TIS	Ruling upon request	Streaming (FCP)	Subscription Tax
Chile	–	–	–	Asset test
Denmark	–	Application	Reportable Income	–
France	–	–	PEA/Couponnage	Wealth tax
Germany	Equity Ratio	WM-Daten Status certificate	Pre-lump sum / tax exempt investor	Distribution reporting
Italy	–	–	IRRP/ Capital vs. income split	Inheritance
Liechtenstein	–	–	Fund earnings	–
South Korea	Asset Test/ Taxable NAV	–	–	–
Norway	Asset Test	–	Asset Test	SSA
Spain	–	–	–	Traspaso
Sweden	–	SKV 2745	KU Forms	–
Switzerland	–	Ruling	Annual NII	–
UK	Equalisation	Application	Excess RI	Asset Test
U.S.	Computation	8865 (CTB) / EIN / State	PFIC / K1 / FIN 48	Investor Reporting

In order to exist and grow as an investment manager in today's increasingly competitive landscape, it is paramount to ensure that a fund product attracts and retains its investors. A proactive and robust approach to supporting investors with the information needed to comply with their own tax requirements is increasingly becoming an expectation.

With the added complexity of globalisation and evolving investor tax reporting requirements, this is difficult. It is even harder, with pressures on headcount, to effectively manage the risk of non-compliance and damaged reputation in the event that numbers reported to investors are inaccurate and/or incomplete.

This is why Deloitte have developed a global investor reporting platform covering all investor tax reporting needs from the US, through EMEA and onto APAC distribution models.

Periodic tax calculations and final reports are consolidated into one centre of excellence, where a single source of data is transformed and applied to the differing investor tax reporting requirements in various markets.

iPACS Investor Reporting Solutions prides itself on the concept of "humans with machines". With direct data feeds from over 30 administrators, Deloitte is able to combine its global expertise into a single place for all your investor tax reporting needs.

Benefits:

- Market leading technology
- Low and transparent cost
- Less organisational impact on seasonal peaks of activities
- Stronger continuity and operational risk controls and oversight
- Freeing up of internal resources to focus on core value-adding business activities
- Enhanced service offering for your clients
- Extension of market coverage without incremental implementation cost





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