

## Fund industry must act now or face crunch time in the final countdown to Global FATCA, says Linedata

October 28 2015: With the starting line for implementation only two months away, Justin Hayes, product manager at Linedata, the leading international software and technology provider, says fund administrators and investment managers need to get to grips with the OECD's Common Reporting Standards, dubbed 'Global FATCA', before it is too late.

"Financial institutions in early adopter jurisdictions, including the UK, Ireland, France and Germany, now have just two months until they will need to implement the OECD's Common Reporting Standards (CRS). Fund administrators and investment managers must waste no time in putting in place procedures required to meet the burdensome new global rules around the exchange of tax information.

"Early preparation will be critical especially for smaller and mid-sized firms, who will feel the most pressure on resources and costs. They will need to be in a position to hit the ground running in January or face the onerous task of retrospectively reporting on unprecedented volumes of investor information when crunch time hits at the end of next year.

"A review into the first round of reporting for the US FATCA serves as a timely reminder of the task ahead, identifying missing documentation and incorrect categorisation of clients as common failings. But this was only the warm up act and if fund managers and administrators thought they had it tough now, the worst is yet to come when the OECD rolls out tax reporting requirements on a global scale.

"Penalties for non-compliance will be set by the individual member states, and as well as the reputational damage firms could also face financial fines or even jail time if fraud is suspected. Financial institutions will need to have solid and robust procedures in place to make sure they comply with CRS or face the consequences.

"Operating on a multi-jurisdictional level, with more than 50 jurisdictions already signed up, the standard will be open to differences in interpretation and variations of regulations by each member state. Significant uncertainties remain about the detailed requirements and the industry is waiting with bated breath for crucial guidance and explanation from local jurisdictions to interpret the CRS. However, there is no time for procrastination and institutions should be assessing their existing processes and looking at implementing due diligence procedures before the end of 2015."

### Notes to editors

1. The first report to be submitted to the authorities is in 2017 and it will be reporting on the period 1<sup>st</sup> January 2016 - 31<sup>st</sup> December 2016.

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### ABOUT LINEDATA

Linedata is a global solutions provider dedicated to the investment management and credit community, with close to 1000 employees in 16 offices across the globe. Linedata has been at the service of the financial industry from day one, and applies its market and client insight to provide innovative and flexible mission-critical software and services that help its clients grow in over 50 countries. As a pioneer for over 15 years with the set-up of SaaS infrastructure for the financial industry, Linedata remains committed to this model throughout the global financial community and for its full range of products. Headquartered in France, Linedata achieved revenues of EUR 158.0 million in 2014. This company is listed on Euronext Paris compartment B FR0004156297-LIN - Reuters LDSV.LN - Bloomberg LIN:FP.

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