

Simplifying FATCA Entity Identification

KPMG LLP (KPMG) and Dun & Bradstreet (D&B) collaborate to help global financial institutions simplify FATCA business entity remediation.

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Classifying all existing business accounts to comply with the Foreign Account Tax Compliance Act (FATCA) can be time consuming for financial institutions, and cumbersome for their customers. Yet, the potential implications of these requirements are wide-ranging and can include an increased regulatory burden. Significantly, there is a 30% withholding tax on certain payments made to customers, counterparties and other payees by financial institutions that fail to adequately classify such payees for FATCA purposes and to obtain documentation where necessary. However, subject to certain conditions, the regulation allows foreign financial institutions and withholding agents to rely on documentation collected by a third-party data provider with respect to its business entity account holders.

This is where KPMG and D&B can help.

D&B FATCA Classifier delivered through KPMG LINK is a tool that combines KPMG's extensive tax knowledge and experience with D&B's identity resolution capabilities

and trusted business data to help classify and monitor financial institutions' offshore customer-base to ensure FATCA compliance. This tool will utilize D&B's vast library of commercial data to provide clients with a cost-effective approach to help reduce risk, save time, enhance customer relations, and meet regulatory requirements. The information is delivered through KPMG's LINK Portal platform.

This powerful alliance will provide a technology solution that simplifies the classification of business entities into FATCA categories, and helps enhance the accuracy and efficiency of financial institutions' FATCA compliance across the globe.

Solution Offerings

The D&B FATCA Classifier provides the entity classification that a withholding agent would otherwise be required to obtain for FATCA compliance and delivers the results in a ready-to-use format. It also offers ongoing due diligence monitoring and support, identifying changes that affect FATCA status and responding to qualified changes in entities on an as-needed basis.

Potential Benefits

- Helps reduce operational costs and resources required to classify your pre-existing accounts
- Helps maintain entity customer relationships by reducing the need to contact certain offshore accounts
- Reduces risk in your compliance program through ongoing monitoring of FATCA classifications against D&B's business intelligence

The tool will be launched in phases and key features will include:

Phase 1 – Applicable to financial institutions located outside the United States (including branches of U.S. institutions)

- Entity classification using D&B's extensive database
- Due Diligence relating to Standards of Knowledge (U.S. indicia as well as conflicts with a FATCA classification)
- Ongoing business entity monitoring for changes in circumstance

Phase 2 – Applicable to all financial institutions

- Classification coverage through cure documentation collection and validation, as needed
- Classifications obtained through electronic W-8/W-9 form, when required
- Ongoing business entity monitoring for changes in circumstance

Planned Future Enhancements include:

- Ongoing updates to IGA-specific rule sets
- Rules engines for additional reciprocal information sharing regimes (e.g. OECD CRS)

Not permissible for KPMG audit clients and their affiliates.

Two Partners – A World of Experience

KPMG's team of highly skilled tax professionals have deep technical knowledge and extensive FATCA-related project experience. Many of KPMG's FATCA professionals have worked for the Internal Revenue Service and remain in active dialogue with industry participants to help ensure any technical complexities are identified and resolved.

Dun & Bradstreet (NYSE: DNB) helps companies grow their most valuable business relationships. By uncovering truth and meaning from data, Dun & Bradstreet connects customers with prospects, suppliers, clients and partners that matter most, and have since 1841. Nearly ninety percent of the Fortune 500, and companies of every size around the world, rely on our data, insights and analytics. For more about Dun & Bradstreet, visit DNB.com.

These combined industry and technology capabilities enable KPMG and D&B to offer the highest and most comprehensive level of services to financial institutions.

Stay updated on FATCA issues and insights by visiting our [FATCA Essentials](http://www.kpmg.com/us/FATCAessentials) website at www.kpmg.com/us/FATCAessentials.

For more information on how KPMG and D&B can help, please contact:

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