

# Confinale Group-Request Solution (CGRS)

Your solution for FATCA group requests

## CONFINALE

Digital Banking applied

Legal background

## Starting point and requirements

On 17 July 2019, after many years of waiting, the American legislator approved the protocol amending the DTA between Switzerland and the USA. On 20 September 2019, the protocol came into force. Accordingly, the US Tax Administration (IRS) can from now on submit requests for administrative assistance in the form of group requests to the Swiss Federal Tax Administration (FTA) at any time. It can be assumed that the IRS will make use of this new right.

If the FTA receives such a group request from the IRS, it will forward it to the financial institution concerned and ask the institution to identify the relevant persons ('non-consenting accounts') and to provide the FTA with the information required by law within ten days. The forwarding of the information must comply with the detailed requirements of the Swiss Office for Information Exchange in Tax Matters (SEI), which were published in February 2015 and updated in March 2016.

Although these comprehensive guidelines have been in place for some time, only very few financial institutions have considered them in detail. Now that the protocol of amendment came into force, and group requests are to be expected, however, financial institutions no longer have a choice and must prepare themselves for compliance with the requirements.

## What does this mean in practice?

According to the SEI's "FATCA Information Delivery – Technical Specification and User Guide", financial institutions must submit the following information to the FTA for each 'non-consenting US account' or account of a 'non-participating FI' after receiving a group request:

### Information Package (1 package per customer per year)

#### FATCA-XML

Standard FATCA-XML, which is already forwarded directly to the IRS for 'consenting' customers.

However, a separate XML must be created for each account.

#### SEI-XML

One XML per account, which contains information on the FTA dossier as well as in-depth information on the registered account and its associated persons, which are not already contained in the FATCA XML. Certain parameters of the SEI-XML must match the FATCA-XML.

#### Documentation PDF

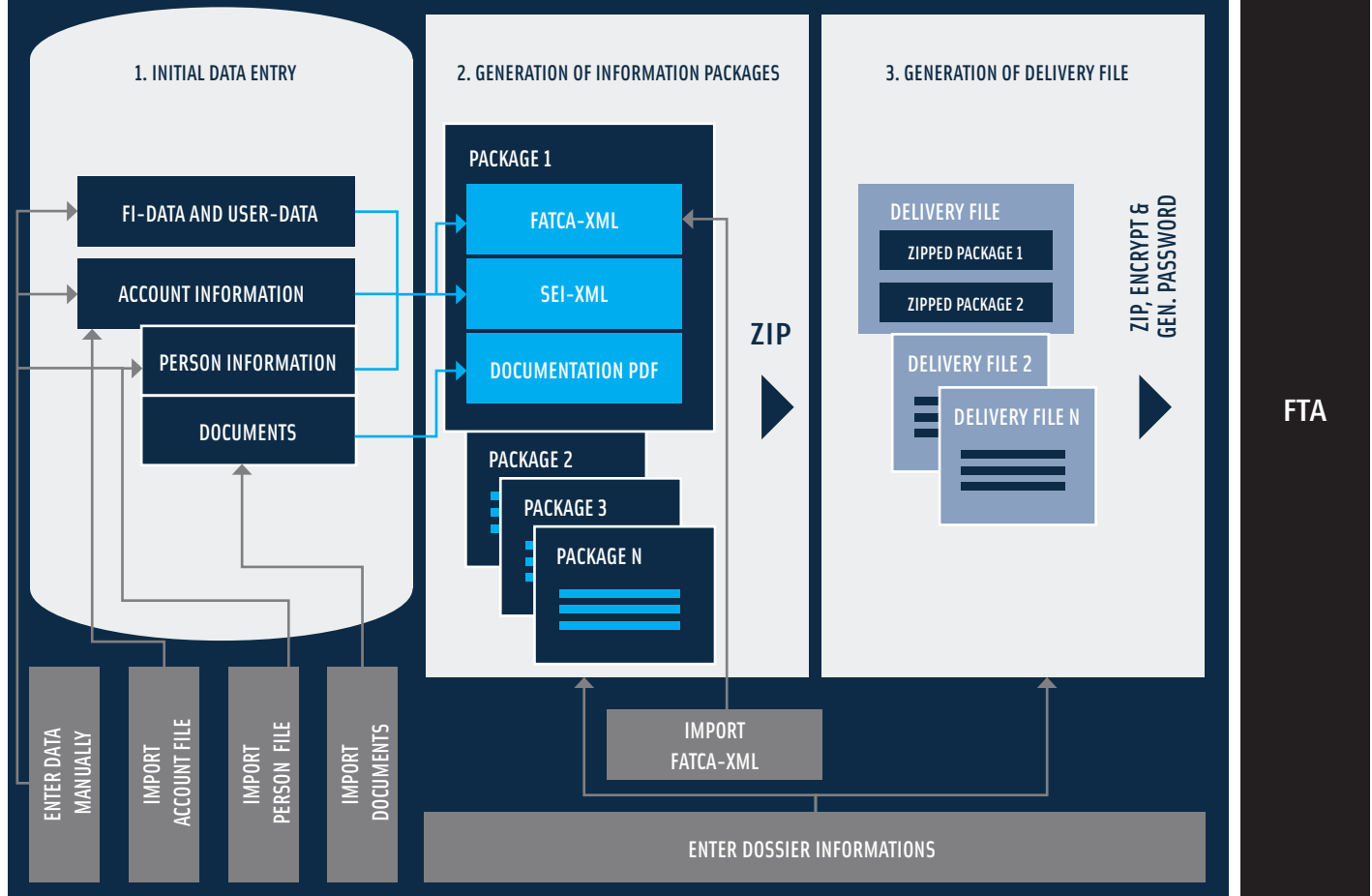
Merge the various relevant documents into one PDF, whereby each document must start on a new page.

These three files must be combined in an 'information package' in a ZIP file. The ZIP and its contents must be saved in accordance with the naming conventions of the SEI specification.

After creating an information package for each customer and year, the packages must be combined in a 'delivery file' as a ZIP and encrypted with AES256-bit. Depending on the delivery method (via USB or WebTransfer Service (WebFTP)), the password of the encrypted ZIP must be sent to the FTA either in writing by post, fax (to be sent via WebFTP) or electronically by email (to be sent via USB). The financial institutions have ten days from the time of receiving the request to send the encrypted delivery files.

## Confinale Group-Request Solution - CGRS

Confinale has developed the CGRS in cooperation with banks. Our solution enables the financial institutions concerned to prepare the information required for group requests efficiently and in accordance with SEI specifications in three steps and transmit it to the FTA.



## Strengths of our solution

- ✓ FULLY TESTED AND SEI COMPLIANT
- ✓ EASY TO USE AND TAILORED TO THE NEEDS OF COMPLIANCE DEPARTMENTS
- ✓ WEB-BASED AND EASY TO INTEGRATE
- ✓ ONGOING MAINTENANCE ASSURED
- ✓ REQUIRED INFORMATION CAN BE PREPROCESSED AND PRODUCED AT THE PUSH OF A BUTTON ACCORDING TO SEI REQUIREMENTS
- ✓ ONCE ENTERED, DATA IS ALSO AVAILABLE FOR FUTURE REQUESTS
- ✓ PREPARATION OF CLIENT INFORMATION LETTERS
- ✓ VALIDATION OF SEI-XML AND CONSISTENCY CHECK AGAINST FATCA-XML
- ✓ ENCRYPTION OF THE DELIVERY FILE AND PASSWORD GENERATION ACCORDING TO SEI SPECIFICATIONS
- ✓ COMPLETE AUDIT TRAIL ENSURED FOR THE ENTIRE PROCESS

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