Oracle Financial Services FATCA Management **User Guide**

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Oracle Financial Services
FATCA Management
User Guide

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About this Guide

This guide explains the concepts behind the Oracle Financial Services Foreign Account Tax Compliance Act (OFS FATCA Management) assessment, and provides step-by-step instructions for navigating through the OFS FATCA Management application.

This chapter focuses on the following topics:

- Who Should Use this Guide
- How this Guide is Organized
- Where to Find More Information
- Conventions Used in this Guide

Who Should Use this Guide

The *Oracle Financial Services Foreign Account Tax Compliance Act Management 1.0 User Guide* is designed for use by OFS FATCA Management users. Their roles and responsibilities, as they operate within the OFS FATCA Management application, include the following:

- **Business Analyst**: A user in this role analyses the FATCA assessments done on a customer or an account. This user needs to understand how FATCA assessments are calculated. With the clear understanding of how FATCA assessments are done, this user would guide the Administrator to fine tune the parameters required for FATCA Assessments.
- **Administrator**: The User who is a manager for data center activities as well as application administration activities in the financial institution. This user has access to toolkit application configuration functionalities and is responsible for configuring the application parameters, application administration, and maintenance. This user should have in-depth knowledge about all the modules of the OFS FATCA Management application to perform necessary administration and maintenance.

How this Guide is Organized

The *Oracle Financial Services Foreign Account Tax Compliance Act Management 1.0 User Guide* includes the following chapters:

- Chapter 1, *About FATCA*, describes Oracle Financial Services Foreign Account Tax Compliance Act, and solution with workflow.
- Chapter 2, *FATCA Assessment,*, explains about account classification, FATCA status of account.

- Chapter 3, *Searching OFS FATCA Accounts Assessments*, explains how manage search page in the application.

Where to Find More Information

For more information about OFS FATCA Management, refer to the following documents:

- *Oracle Financial Services Foreign Account Tax Compliance Act Management Installation Guide:* This guide details the step by step installation of the application.
- *Oracle Financial Services Foreign Account Tax Compliance Act Management Release Notes:* This guide details the highlights of the release.
- *Oracle Financial Services Analytical Applications Infrastructure System Configuration and Administration User Guide:* This guide describes the System Configuration and Administration components of the OFSAA Infrastructure and helps administrators to configure the system, manage users, and perform administrative tasks.

To find additional information about how Oracle Financial Services solves real business problems, see our website www.oracle.com/financial services.

Conventions Used in this Guide

Table 1 lists the conventions used in this guide.

Table 1. Conventions Used in this Guide

Convention	Means
Italics	• Names of books, chapters, and sections as references • Emphasis
Bold	• Object of an action (menu names, field names, options, button names) in a step-by-step procedure • Commands typed at a prompt • User input
`Monospace`	• Directories and subdirectories • File names and extensions • Process names • Code sample, including keywords and variables within text and as separate paragraphs, and user-defined program elements within text
<Variable>	Substitute input value

CHAPTER 1 About FATCA

This chapter provides information about Foreign Account Tax Compliance Act (FATCA) and Oracle Financial Services Foreign Account Tax Compliance Act (OFS FATCA) Management application and its workflow.

This chapter includes the following topics:

- Introduction to FATCA Act
- OFS FATCA Management
- OFS FATCA Management Workflow

Introduction to FATCA Act

The Foreign Account Tax Compliance Act (FATCA) is a US law enacted in 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act. It is aimed at foreign financial institutions (FFIs) and other financial intermediaries to prevent tax evasion by US citizens and residents through use of offshore accounts.

Under FATCA, foreign financial institutions (FFIs) are required to enter into disclosure compliance agreements with the U.S. Treasury and report to the Internal Revenue Service (IRS) information about financial accounts held by U.S. taxpayers, or held by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

The purpose of the FATCA act is to detect and discourage abroad tax abuses through increased transparency, enhanced reporting, and strong sanctions.

For more information on FATCA, see the section on FATCA act in the website of Internal Revenue Service (IRS), *http://www.irs.gov*.

OFS FATCA Management

OFS FATCA Management Assessment model provides a framework to the financial institutions to classify their account holders as either U.S. or non-U.S. based. The solution assesses different accounts held by a financial institution on various parameters including account opening date, account type, ownership, and account net worth, and helps to identify the accounts reportable under FATCA.

It allows the assessment rules to be configured for exemption limits on account balances prescribed by IRS for different kinds of accounts held by Oracle client, and also incorporates exemptions for customers who provide the documentary evidence required under FATCA regulations.

OFS FATCA Management Workflow

The life cycle of the Oracle Financial Services Foreign Account Tax Compliance Act (OFS FATCA) Management is described in the following workflow diagram.

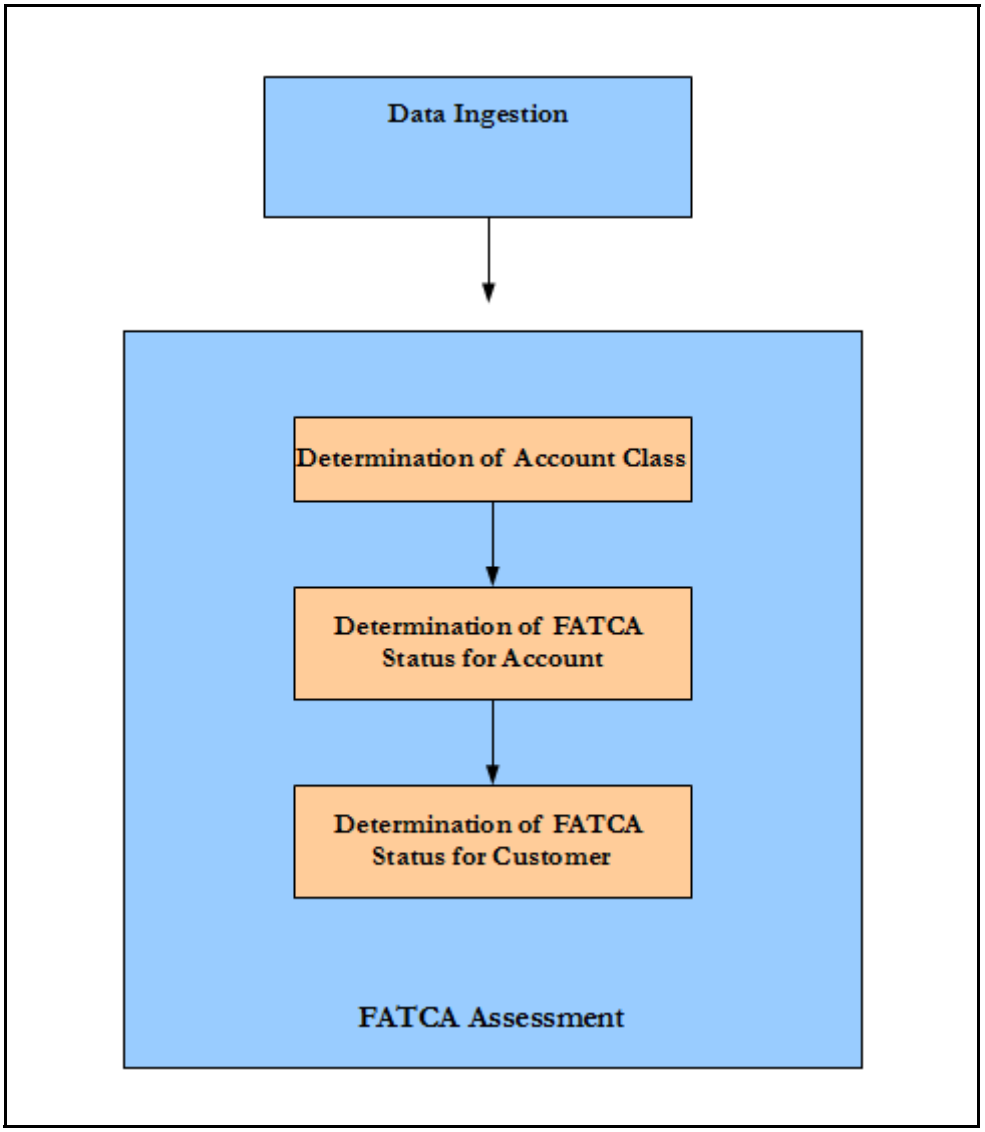

Figure 1. OFS FATCA Management Workflow

Data Ingestion

Data Ingestion is done through Ingestion Manager, here the customer information is loaded into business schema.

FATCA Assessment

The FATCA assessment is initiated by the batch execution, which does the following actions:

- Determines the Account Class
- Determines the FATCA status for Account
- Determines the FATCA status for Customer

Determination of Account Class

The assessment of the accounts leads to their categorization in the several FATCA Account classes. The classification is based on characteristics of the accounts including their opening date, ownership, and cash balance. For more information, refer Chapter 2, *FATCA Assessment*.

Determination of FATCA status for Account

The objective of classification of the accounts is to assign them statuses based on their characteristics relevant to FATCA. Each of the account is given a FATCA status based on its Account Class. For more information, refer Chapter 2, *FATCA Assessment*.

Determination of FATCA status for Customer

The FATCA status of customers will be derived from the FATCA status of the account(s) held by them. For more information, refer Chapter 2, *FATCA Assessment*.

CHAPTER 2 FATCA Assessment

This chapter discusses about FATCA assessment, account classification, FATCA status of account, and determination of FATCA status of costumer.

This chapter includes the following topics:

- About FATCA Assessment
- FATCA Account Classification
- FATCA Status of the Account
- Determination of FATCA Status for a Customer

About FATCA Assessment

The FATCA assessment is initiated by the batch execution, which further does the account classification, determination of the FATCA status of account, and the determination of the FATCA status of the customer.

All the Savings and Insurance accounts with the clients will be assessed on FATCA rules initially. Subsequently, only the accounts that are opened since the last assessment and the earlier accounts on which some FATCA relevant information has changed, will be assessed.

FATCA Account Classification

The assessment of the accounts leads to their categorization in the following FATCA Account classes. The classification is based on characteristics of the accounts including their opening date, ownership, and cash balance.

OFS FATCA Management 1.0 supports FATCA classification of new accounts. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.

1. Recalcitrant
2. New individual- Exempt
3. New individual- US Resident-tax
4. New individual-Non US Resident-tax
5. New entity- US
6. New Passive NFFE-US
7. New Passive NFFE-non US

8. New Active NFFE
9. New Participating Financial Institution
10. New Non-participating Financial Institution- Exempt
11. New Non-participating Financial Institution

Recalcitrant

A Recalcitrant Account Holder is a one who fails to do following actions.

1. Comply with reasonable requests for information pursuant to IRS mandated verification, and due diligence procedures to identify US Accounts.
2. Provide a name, address, and taxpayer identification number.
3. Provide a bank secrecy waiver upon request.

   An account will be classified as Recalcitrant, if the account or any of the customers associated to it holds a Recalcitrant status.

New Individual- Exempt

An account which satisfies the following conditions will be classified as *New individual-Exempt* account.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an individual (customer type is IND).
4. The Account Net Worth is less than or equal to the exemption limit specified by IRS for its account type on Reporting Period End Date.

New individual- US Resident-Tax

An account which satisfies the following conditions will be classified as *New individual-US Resident-tax*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an individual (customer type is IND).
4. The Account Net Worth is more than the exemption limit specified by IRS for its account type on Reporting Period End Date.

5. No Self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes.

New individual-Non US Resident-Tax

An account which satisfies the following conditions will be classified as *New individual-Non US Resident-tax*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an individual (customer type is IND).
4. The Account Net Worth is more than the exemption limit specified by IRS for its account type on Reporting Period End Date.
5. Self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes.

New Entity- US

An account which satisfies the following conditions will be classified as *New Entity-US*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. The country of incorporation or the country of address is US.
5. No self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form).

New Passive NFFE-US

This classification is to be associated with a Non-Financial Foreign Entity (NFFE). An account which satisfies the following conditions will be classified as a *New Passive NFFE-US* account.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.

3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. The entity is not a financial institution.
5. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form).
6. This non-financial foreign entity has a passive status established through self-certification (which may be on an IRS Form W-8, or on a similar agreed upon form).
7. Any of the controlling persons on NFFE is US citizen or resident. Controlling Persons means the natural persons who exercise control over an entity. This will be identified based on association of a customer to an account with a role defined by the institution as representing a controlling role.

New Passive NFFE-non US

This classification is to be associated with a Non-Financial Foreign Entity (NFFE). An account which satisfies the following conditions will be classified as a *New Passive NFFE-Non US* account.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. The entity is not a financial institution.
5. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form)
6. This non-financial foreign entity has a passive status established through self-certification (which may be on an IRS Form W-8, or on a similar agreed upon form).
7. None of the controlling persons on NFFE is US citizen or resident. Controlling Persons means the natural persons who exercise control over an entity. This will be identified based on association of a customer to an account with a role defined by the institution as representing a controlling role.

New Active NFFE

This classification is to be associated with a Non-Financial Foreign Entity (NFFE). An account which satisfies the following conditions will be classified as a *New Active NFFE* account.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. The entity is not a financial institution.
5. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form)
6. This non-financial foreign entity has an active status established through self-certification (which may be on an IRS Form W-8, or on a similar agreed upon form).

New Participating Financial Institution

An account which satisfies the following conditions will be classified as a *New Participating Financial Institution*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form).
5. The entity is a financial institution.
6. Entity's FATCA identifying number is on IRS FFI list. The IRS publishes a list of financial institutions that have entered into compliance agreements with the U.S. Treasury or are registered deemed compliant. Such institutions will be classified in this category.

New Non-participating Financial Institution- Exempt

An account which satisfies the following conditions will be classified as a *New Non-participating Financial Institution- Exempt*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form).
5. The entity is a financial institution.
6. Entity's FATCA identifying number is not on IRS FFI list.
7. Entity is a certified deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI, as those terms are defined in relevant U.S. Treasury Regulations. This can be identified through a self-certification (which may be on an IRS Form W-8 or similar agreed upon form).

New Non-participating Financial Institution

An account which satisfies the following conditions will be classified as a *New Non-participating Financial Institution*.

1. Neither the account nor any of the customers associated to it holds a Recalcitrant status.
2. New accounts are defined as accounts opened after the IRS specified cut-off date for FATCA.
3. The primary account holder as identified by its customer type is an entity (customer type is ORG).
4. Neither the country of incorporation nor the country of address is US; or self-certification is available that the account holder is not a U.S. citizen or resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed upon form).
5. The entity is a financial institution.
6. Entity's FATCA identifying number is not on IRS FFI list. The FFIs that have not entered into compliance agreements with the U.S. Treasury and therefore do not feature on the IRS list will be considered Non-Participating Financial Institutions.
7. Entity is a not certified deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI, as those terms are defined in relevant U.S. Treasury Regulations.

Figure 2 provides a visual representation of the various classifications that can be associated to an account based upon certain attributes of the account. The nodes in the figure represent Account classes and have been highlighted in blue color.

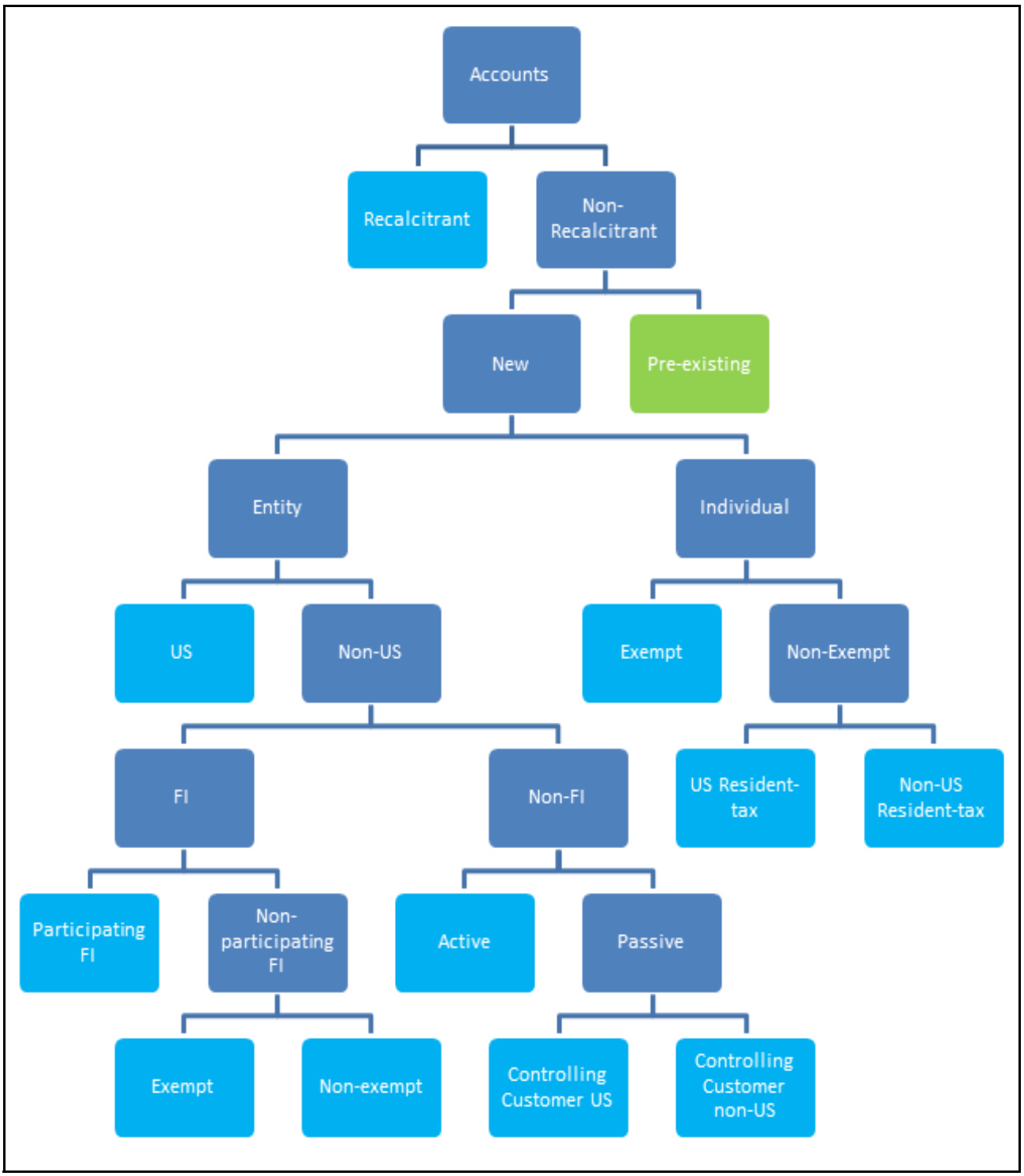

Figure 2. Account Classification

FATCA Status of the Account

The objective of classification of the accounts is to assign them statuses based on their characteristics relevant to FATCA. Each of the account is given a FATCA status based on its Account Class. The following table gives the default mapping between the Account Class and the FATCA Status. The mapping can be configured by Administrator user on *FATCA Status for Account* UI. For more information, refer *OFS FATCA Management Configuration Guide*.

Table 2. Status of the Account

Account Class	FATCA Status
Recalcitrant	Recalcitrant
New individual- Exempt	Exempt
New individual- US Resident-tax	US person
New individual-Non US Resident-tax	Non-US person
New entity- US	US person
New Passive NFFE-US	Passive NFFE-US
New Passive NFFE-non US	Passive NFFE-non US
New Active NFFE	Active NFFE
New Participating Financial Institution	Participating Financial Institution
New Non-participating Financial Institution-Exempt	Exempt
New Non-participating Financial Institution	Non-participating Financial Institution

The FATCA status thus derived will determine the FATCA status of the account holder.

Determination of FATCA Status for a Customer

The FATCA status of customers will be derived from the FATCA status of the account(s) held by them. If the customers are associated to only one account, or if all their accounts have the same FATCA status, then the customers will have the same FATCA status as the account(s).

If the customers are associated to more than one account which do not have the same FATCA status, then amongst all such statuses, the one with the highest priority will be assigned to the customers. The default sequence of FATCA statuses in decreasing priority is listed below. This can be configured by Administrator user on *FATCA Status for Customer UI*. For more information, refer *OFS FATCA Management Configuration Guide*.

For Individuals

1. Recalcitrant
2. High value US person
3. Low value US person
4. US person
5. Non US person
6. Exempt

For Entities

1. Recalcitrant
2. Non-participating Financial Institution
3. US person
4. Passive NFFE-US
5. Participating Financial Institution
6. Passive NFFE-non US
7. Active NFFE
8. Exempt

For example, if an individual customer holds two accounts with FATCA statuses *US Person* and *Non US Person*, the customer will have *US Person* as the FATCA status.

CHAPTER 3

Searching OFS FATCA Accounts Assessments

This chapter provides you the details of accessing and searching the OFS FATCA Management Accounts Assessments.

FATCA Management Accounts Search and List page allows the user to search and view the details of the accounts, which have been reviewed and given a FATCA status.

This chapter includes the following topics:

- Accessing Accounts Assessments
- Searching and Viewing Accounts Assessments

Accessing Accounts Assessments

This section explains how to access OFS FATCA Management Accounts Assessments through the Oracle Financial Services Analytical Applications Infrastructure UI. Any user with analyst role can access this page.

To access the OFS FATCA Management accounts assessments page, follow these steps:

1. In your browser, enter the URL for the OFS FATCA Management Log on page.
2. Enter the username and password.
3. Click **Login**. The OFS FATCA Management Landing page opens.
4. Click **FATCA**. The OFS FATCA Management Accounts Search page displays.

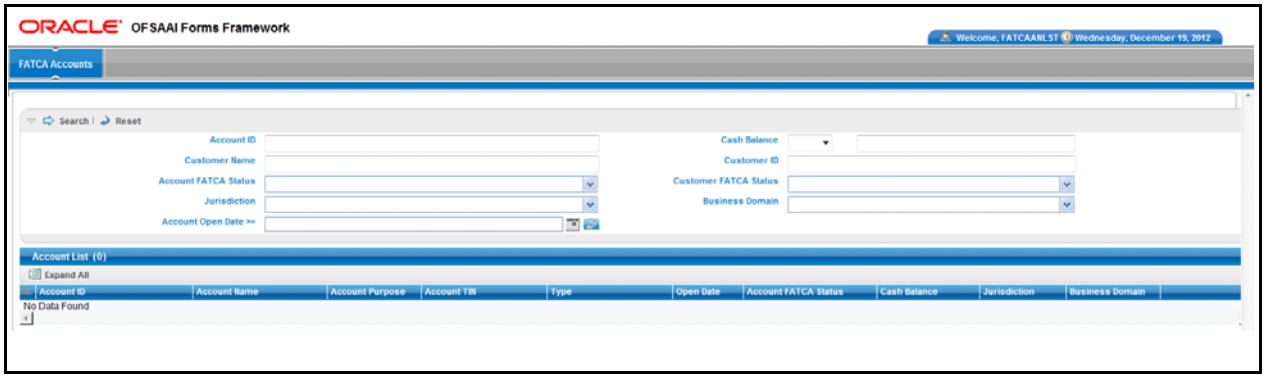

Figure 3. OFS FATCA Management Search Page

Searching and Viewing Accounts Assessments

This page allows you to search for an account by entering or selecting the values from the available search criteria.

To search OFS FATCA assessments accounts, follow these steps:

1. On OFS FATCA Management Landing page, click **FATCA**. The OFS FATCA Management Assessments Accounts Search page displays.

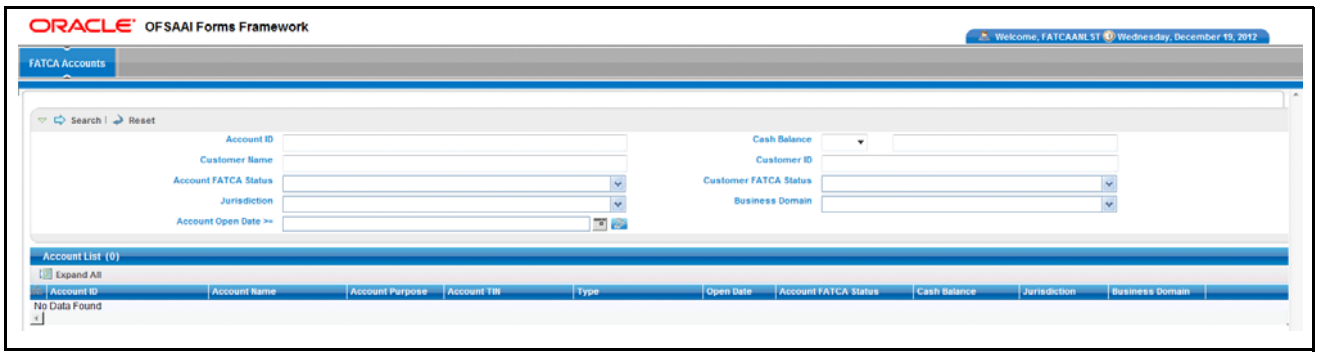

Figure 4. OFS FATCA Management Search Page

2. Enter search components to filter the accounts search list.

   The following table describes the search components that display in the FATCA Management Accounts Search page.

Table 3. OFS FATCA Accounts Search Components.

Fields	Description
Account ID	Enter the unique account ID.
Cash Balance	Select the logical operators (for example, >, >=,=,<=, <) from the drop-down list and enter the amount.
Customer Name	Enter the customer name.
Customer ID	Enter the unique customer ID.
Account FATCA Status	Select the status of FATCA account from drop-down list.
Customer FATCA Status	Select the status of FATCA customer from drop-down list.
Jurisdiction	Select the jurisdiction from drop-down list.
Business Domain	Select the business domain from drop-down list.
Account Open Date >=	Select the account open date from the calendar.

Note:

a. The search section has text boxes, drop-down list, multi selection box, and calendar controls, which enables you to filter accounts more precisely.

b. When filtering using multiple search fields, the results are filtered based upon matching all criteria specified.

c. Selecting the blank list option within a multi-select list box is the same as selecting all options within the list.

d. Some text fields allow the use of wild cards when searching. The percent sign (%) is used to denote a wild card.

e. If you click the Search button without selecting any filter criteria, The message box displays following message: *You must select one or more filter criteria to execute a search*.

f. You must enter data in at least one search field.

g. If the search is executed and no results are returned, a message box displays: *No Data Found* in the list matrix.

3. Click **Search**. The relevant accounts list displays.

Note: Click **Reset**. All search fields are set to default values (blank).

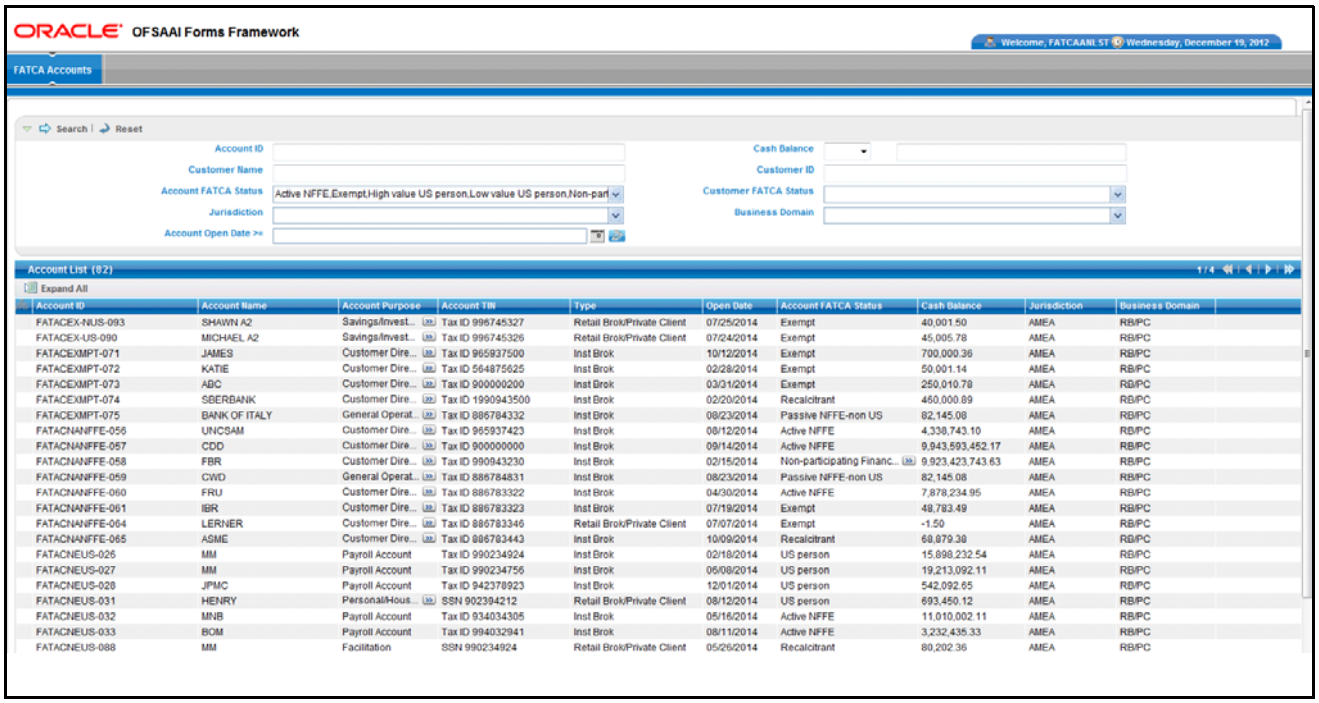

Figure 5. FATCA Search and List Page

Components of the OFS FATCA Management List page

FATCA Accounts List Matrix

The list displays the accounts based on the search criteria entered or selected by you. The list is sorted ascending order of Account ID.

The following table describes the columns in the FATCA Accounts List matrix.

Table 4. Components of OFS FATCA Management Accounts List Matrix

Column Name	Description
Account ID	Displays the unique FATCA ID of the account.
Account Name	Displays the name of the account holder.
Account Purpose	Displays the purpose of the account holding.
Account TIN	Displays the account tax ID.
Type	Displays the type of account (for example, Retail Broker, Private Client, and so on).
Open Date	Displays the account date on which the account is opened.
Account FATCA Status	Displays the status of the FATCA account (for example, Exempted, Recalcitrant, and so on).
Cash Balance	Displays the cash balance of the account.
Jurisdiction	Displays the jurisdiction to which the account belongs to (for example, Northern US, Southern US and so on).
Business Domain	Displays the business domain to which the account belongs.