

# Tax Reporting – User Guide

## Contents

Introduction .....	3
Configuring PlainSail for Tax Reporting .....	3
Overview of configuration items .....	3
Tax Reporting Configuration Mechanisms.....	4
Configuration of Report Refresh.....	4
Setting Payment Behaviour .....	6
Account Balance Strategy .....	7
Configuring the Total Assets Ledger .....	8
Configuration of Relationships.....	8
Configuring the Payment Ledgers.....	10
Configuring the FATCA and CRS Classifications .....	13
Configuring the User Permissions and Tax Reporting Groups.....	14
Configuration of the Tax Reporting Classifications.....	15
Configuration of the Tax Reporting Obligations .....	17
Reportable Countries.....	19
Entities and Relationships.....	20
Contact details .....	20
Creating Reports .....	21
Creating the Report Records for the Current Tax Reporting Period.....	21
Stages of the reporting process .....	22
Workflow for Report Production to Transmission.....	23
Step 1 – New records.....	25
Step 2 – View the Data.....	25
Step 3 – Verify the Data .....	25
Step 4 – Approve the Report .....	26
Step 5 – Submissions.....	26
Step 6 – Transmission .....	28
Viewing and Editing Report Data Using the Editor Screen .....	29
Edit Reporting FI, Sponsor or Intermediary .....	30
Add or Edit an Account Report .....	31
Create a Nil Report.....	32

Submitting Reports .....	34
Amending Submitted Reports.....	35
Appendix 1 – PlainSail Methodology Explained .....	36
Prerequisites to reporting.....	36
Composition of a report.....	36
The Dashboard .....	37
Producing Report Records .....	37
Creating a report.....	38
Report Submissions.....	39
Appendix 2 – End to End Example .....	40
Overview of the example scenario .....	40
Setting up the administered entities .....	40
Setting up the connected parties.....	40
Creating all relevant relationships .....	40
Creating the tax categories for the administered entities.....	41
Creating all appropriate tax obligation records.....	41
Recording addresses .....	41
Set up Bank Accounts.....	41
Creating the bookkeeping for the administered entities .....	41
Creating the tax report records for Maxton .....	42
FATCA report for The Maxton Trust .....	42
CRS report for The Maxton Trust .....	43
CRS report for Maxton Electricals Limited .....	43

## Introduction

The introduction of FATCA and CRS added considerably to the workloads and Compliance burden on financial institutions by requiring them to provide elaborate reporting to countries with whom their individual clients are associated. In an endeavour to vastly reduce the burden of these requirements, PlainSail has developed a module which provides automated reporting under the control of the financial institution.

The module allows the user to create, manage and transmit messages to public portals for exchange of information between tax jurisdictions and providing an interface which highlights errors and irregularities in the reportable data.

The FATCA/CRS module controls the various stages of the process from initially creating an empty FATCA and CRS record for each administered entity at the beginning of a new reporting year and allowing the user to create, view, check, amend and approve the report data before transmitting it to the tax portal.

The report is transmitted in XML format as required and this is stored alongside the raw data in the tax reporting record together with any alterations that were made. The various stages of the process are guided by PlainSail and performed only by users who have been granted the appropriate permissions.

All user operations are recorded in the audit log.

PlainSail itself generates a report when the user instructs it by clicking the appropriate choice on a FATCA or CRS record. It navigates through the entity's data and connections to ascertain who are the connected reportable parties and builds the report accordingly. The purpose of this document is to provide a comprehensive User Manual which will provide full details of the resources and the functions available to the user as well as full instruction as to its use.

The document describes how to prepare PlainSail to enable tax reporting and the operating procedures required to produce and submit reports. Appendix 1 provides an explanation of methodology employed to create the reports whilst Appendix 2 gives a detailed example of setting up a new structure for tax reporting.

## Configuring PlainSail for Tax Reporting

If the system is configured correctly and an entity's accounting is up to date, there is no reason why it will not produce correct FATCA and CRS reports first time. So it is important that you spend time carefully and thoroughly configuring the system.

### Overview of configuration items

In order to use the module, the following is required.

- 1) Every administered entity must be given a FATCA classification (Category and Subcategory) and a CRS Status.
- 2) Every entity with a fiscal connection or role in an administered entity must have a Tax Reporting Obligation record set up to record which jurisdiction they must report to and the tax identification number that has been assigned to them in that jurisdiction. This will generally comprise individuals such as owners, controllers, beneficiaries, trustees, protectors,

guardians etc. but may also include third party corporates and, sometimes, administered entities.

- 3) At a system level, all relationships which represent an ownership role must be identified in the configuration as an 'Owner Relationship'.
- 4) At a system level, all relationships which represent relevant role, other than ownership, must be identified in the configuration as an 'Other Relationship'.
- 5) All payment ledgers (ie any ledger that records funds being passed to a reportable entity) must have an entity subledger (AnyEntity, Company, Trust, and so on) and if they don't, they must be changed so that they can record the entity to whom funds have been transferred.
- 6) All payment ledgers must be noted under their appropriate categories (Dividend, Interest, Proceeds & Redemptions and Other Payments) must be recorded in the tax reporting configuration screen.
- 7) At a system level, FATCA Categories and CRS Statuses must be configured by ticking all applicable ones that make entities eligible for reporting.
- 8) Tax reporting user groups must be set up to identify the different users who can configure, amend and submit reports.
- 9) Tax reporting user permissions must be assigned by attaching all users to their appropriate tax reporting user groups.

The methods to achieve the above are described below.

### Tax Reporting Configuration Mechanisms

There are various mechanisms used to configure tax reporting. There are those that must be done on a global level which sets values used for your company and then settings for each individual entity which could appear on a report.

#### Global Settings

- 1) Setting whether the refresh of report records will be automatically done daily or whether they will be only be refreshed manually
- 2) Setting whether payments will be reported in an entity's book currency or using the source currency of the individual payments
- 3) Configuration of relationships
- 4) Configuration of payment ledgers
- 5) Configuration of FATCA/CRS classifications
- 6) Configuration of user permissions and tax reporting groups

#### Entity Settings

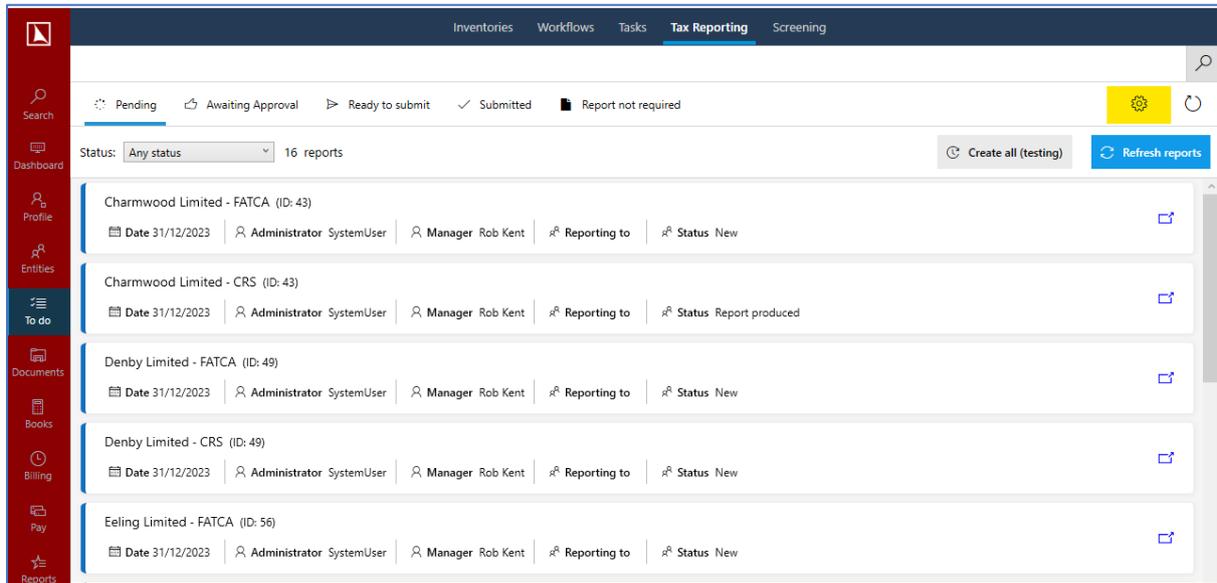
- 1) Setting of reporting obligations for individuals, organisations and administered entities
- 2) Setting the FATCA/CRS classifications for each administered entity
- 3) A thorough check that all relevant relationships have been correctly recorded

### Configuration of Report Refresh

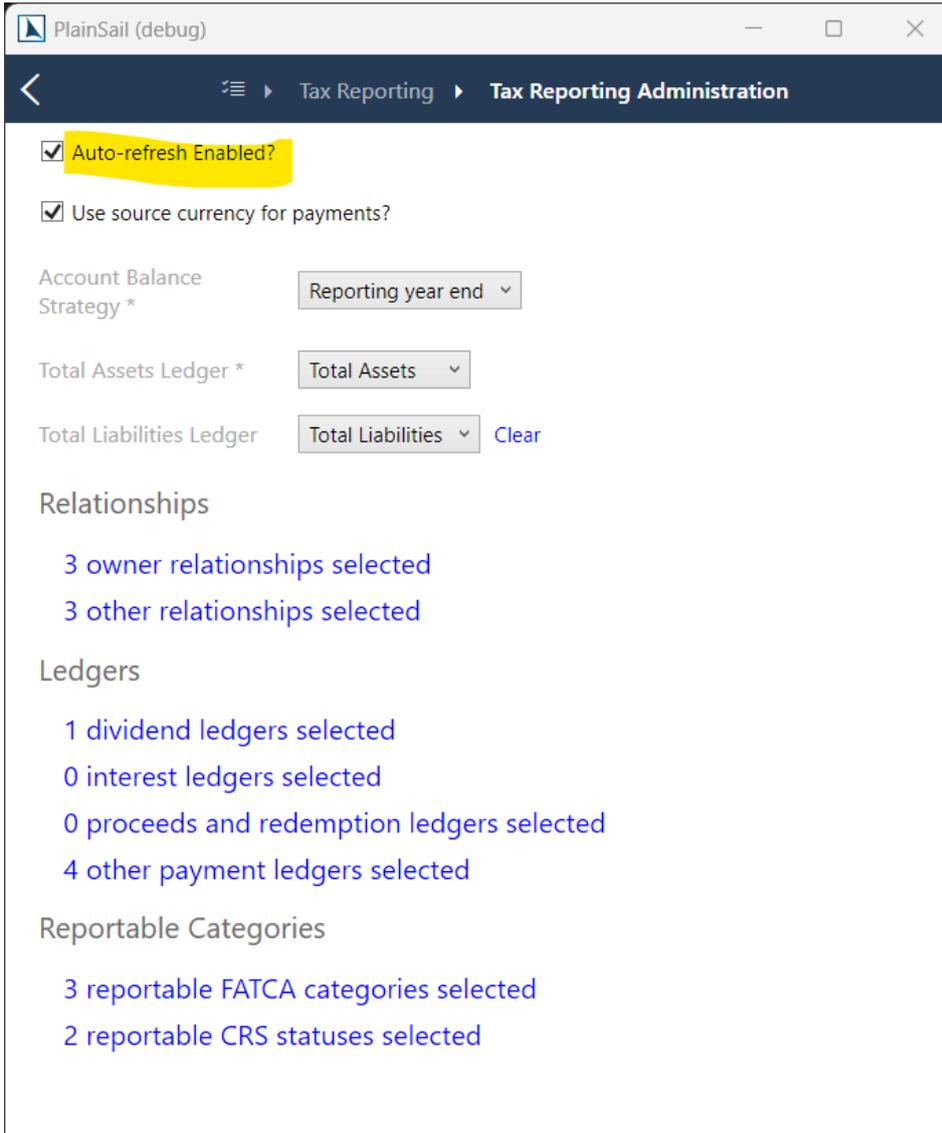
At any time you may refresh the list of report records by pressing the Refresh Reports button in the FATCA/CRS dashboard screen. This create a new FATCA or CRS record for every administered entity which doesn't already have a record. So if you delete a record, it will reappear as a new, empty record when the refresh button is pressed.

Your company may also require that this process be completed automatically in the background on a daily basis and will do so if the relevant box is ticked. To perform this configuration, press the 'Global

Info' side menu button, followed by the 'Tax Reporting' option on the top menu to reach the following screen.



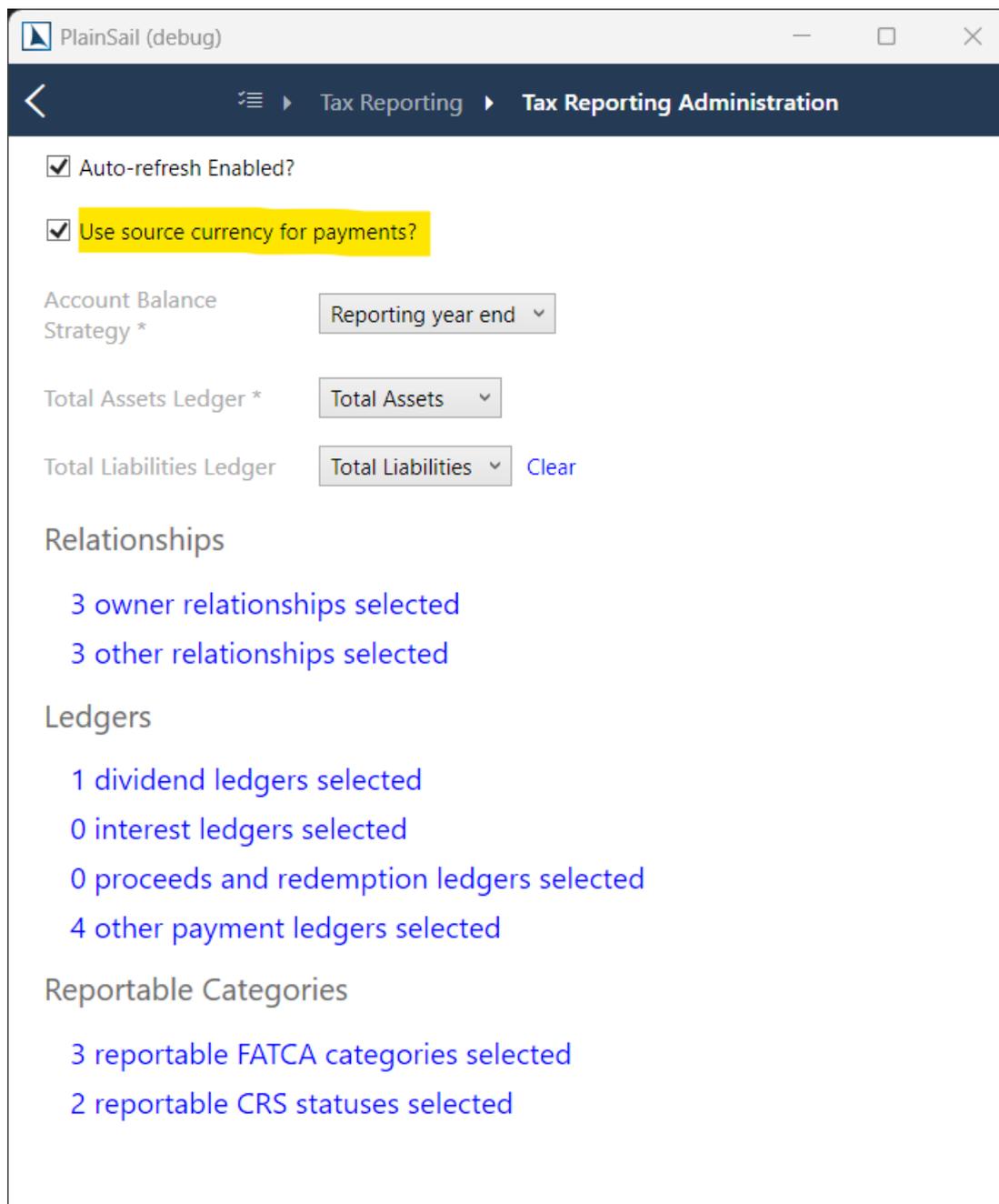
Press the Setting Cog Wheel (highlighted) and choose 'Admin'.



The setting highlighted may be ticked or unticked to determine whether the system will perform the refresh on a daily basis overnight.

### Setting Payment Behaviour

Payments may be reported in their original currency or the source currency of the Reporting FI.



If the setting is ticked all payments will be reported in the source currency of the individual payments and when the XML report is produced they will be consolidated by currency and payment category.

If the setting is unticked, the payments will be reported in the book currency of the Reporting FI and all will be reported in the same currency. Therefore the payments on the XML report will be consolidated by payment category only.

The decision as to which behaviour your company wishes, should be made by Management and, once set, should be left as is.

### Account Balance Strategy

On the same Admin screen you can choose which reporting dates to use when getting the account balance and finding payments beneficiaries. There are two options:

1. **Reporting year end** This is the default and will run from January 1 to December 31 of the reporting year.
2. **Entity year end** Balances are taken at the reporting year end of the entity. For this to work each entity you are reporting on must have its Year End set on its Accounting dashboard.

### Configuring the Total Assets Ledger

On the same Admin screen you have to select a ledger account from which we read the total assets for the entity. By default this will be the ledger called 'Total Assets' but you can choose another one if you have changed the names.

If you want to deduct liabilities from the total assets reported, you can optionally choose the Total Liabilities Ledger dropdown. If you do this, PlainSail will read the total assets from there instead. Internally we do not deduct the liabilities from the total assets but just read that total liabilities line because it comes after and should include the sum of assets.

### Configuration of Relationships

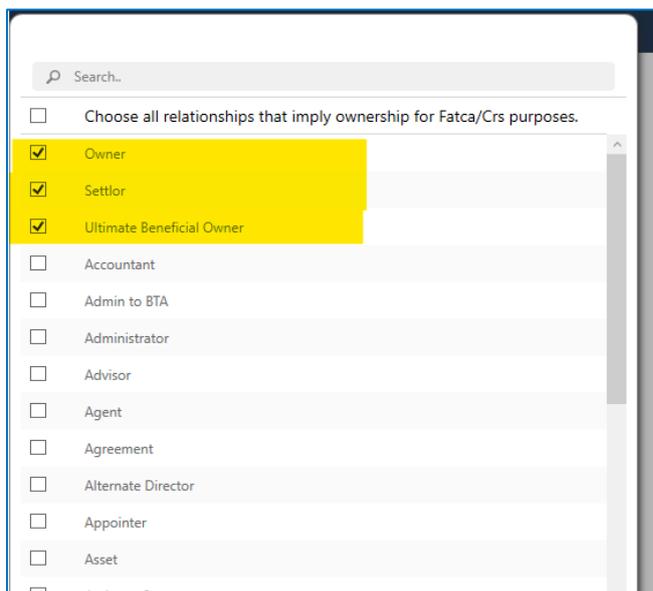
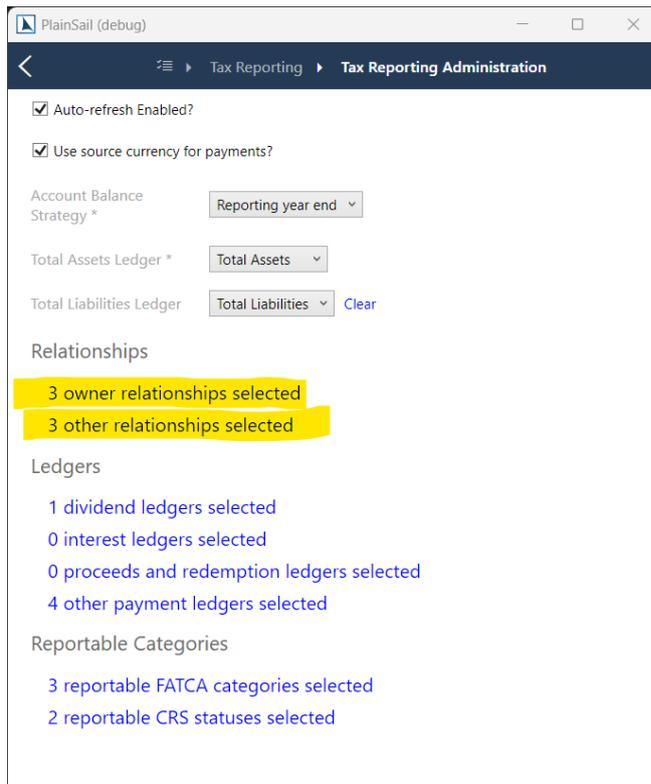
PlainSail will automatically produce the entire report for an entity, when initiated by a user, in accordance with the accuracy of the data recorded. This requires it to analyse all relevant relationships to ascertain ownership and control and therefore which associated parties are reportable.

Since these relationships are user configurable, the system must be correctly configured to identify which relationships are representative of ownership (typically Owner, Beneficial Owner or Ultimate Beneficial Owner) and what 'Other relationships' are also relevant for reporting albeit in a non-ownership capacity (typically Beneficiary, Protector, Trustee etc). Strangely the definition of 'ownership' includes the Settlor of a Trust according to the FATCA/CRS rules (and, presumably, the Founder of a Foundation).

As new relationships are sometimes created, if they represent an association which would require a reportable connection (e.g. 'Conditional Beneficiary') this relationship must be added to the list of relevant relationships for tax reporting (either 'Owner' or 'Other'). Configuration of the relationships is done from the same configuration screen as above.

The highlighted options refer to the Relationship Configuration. Press the top one to edit the relationships which represent an association by ownership, press the second to edit the relationships which are relevant for reporting but do not represent ownership.

Using 'Ownership' relationships as an example, the following screen will appear.



The above indicates three relationships have been defined as representing ownership and these may be edited by ticking or unticking items from the scrollable list.

An equivalent screen is available for non-ownership relationships.

When PlainSail compiles a report for an administered entity it will report any other entity if it has a relevant relationship and a tax reporting obligation record.

## Configuring the Payment Ledgers

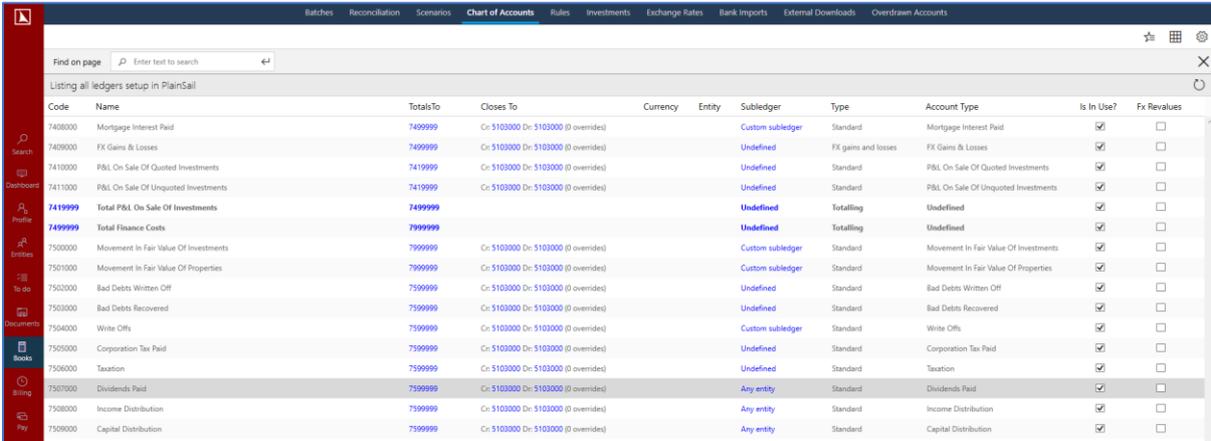
Both FATCA and CRS reporting contain a 'Payments' section in the Account Report section and the system will list all payments made to the relevant Account Holder in this section. However, it can only do that if the system knows which ledgers such payments have been recorded on. It is therefore necessary to record the ledgers which are used to record these payments. It is also necessary that these ledgers can identify the payee who has benefited from the payment.

The reporting schema for both for FATCA and CRS define payments to Account Holders into four separate categories; Dividends, Interest, Proceeds (which include trust distributions, redemptions etc) and Other Payments (any payment which do not fall into any of the other 3 categories).

Your Finance, Compliance or other relevant team should identify which ledgers may be used to record payments to Account Holders and check to make sure that each relevant ledger has an entity subledger (AnyEntity, Company, Person, etc). If you do not already have such a ledger, you will need to set up a new one immediately after the existing one in your Chart of Accounts and then mark the existing one as 'Not In Use'. From that point on the new ledger will request the name of the entity being paid whenever you post a transaction

This is how to do this using an example ledger of 7507000 - Dividends Paid (which is assumed to have no subledger).

Choose Books>ChartOfAccounts to get this screen.



Code	Name	TotalsTo	Closes To	Currency	Entity	Subledger	Type	Account Type	Is In Use?	Fx Revalues
7400000	Mortgage Interest Paid	7499999	Cr: 5103000 Dr: 5103000 (0 overrides)			Custom subledger	Standard	Mortgage Interest Paid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7400000	FX Gains & Losses	7499999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	FX gains and losses	FX Gains & Losses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7410000	P&L On Sale Of Quoted Investments	7419999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	P&L On Sale Of Quoted Investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7411000	P&L On Sale Of Unquoted Investments	7419999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	P&L On Sale Of Unquoted Investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7419999	Total P&L On Sale Of Investments	7499999				Undefined	Totalling	Undefined	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7499999	Total Finance Costs	7999999				Undefined	Totalling	Undefined	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7500000	Movement In Fair Value Of Investments	7999999	Cr: 5103000 Dr: 5103000 (0 overrides)			Custom subledger	Standard	Movement In Fair Value Of Investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7501000	Movement In Fair Value Of Properties	7999999	Cr: 5103000 Dr: 5103000 (0 overrides)			Custom subledger	Standard	Movement In Fair Value Of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7502000	Bad Debts Written Off	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	Bad Debts Written Off	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7503000	Bad Debts Recovered	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	Bad Debts Recovered	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7504000	Write Offs	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Custom subledger	Standard	Write Offs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7505000	Corporation Tax Paid	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	Corporation Tax Paid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7506000	Taxation	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Undefined	Standard	Taxation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7507000	Dividends Paid	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Any entity	Standard	Dividends Paid	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7508000	Income Distribution	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Any entity	Standard	Income Distribution	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7509000	Capital Distribution	7599999	Cr: 5103000 Dr: 5103000 (0 overrides)			Any entity	Standard	Capital Distribution	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Highlight the 'Dividends Paid' ledger and scroll to the right and then press the Edit symbol. The following screen will be displayed.

Code	7507000
Name	Dividends Paid
Type	Standard
Account Type	Dividends Paid
Subledger	
Subledger optional?	<input type="checkbox"/>
Totals To	7599999 Total Business Expenses
Closes To	Credit 5103000 Capital & Reserves - Revenue Debit 5103000 Capital & Reserves - Revenue 0 overrides
Currency	
Entity	<input type="text" value="Search entities..."/>
Fx Revalues?	<input type="checkbox"/>
Is In Use?	<input checked="" type="checkbox"/>

Untick the 'Is In Use' and press Save.

Then perform a 'Right-Click' on the 'Dividends Paid' ledger and choose 'Insert Next Code' from the context menu to get the following screen.

Code	7507001
Name	
Type	Standard
Account Type	Undefined
Subledger	
Totals To	7599999 Total Business Expenses
Closes To	Not set
Currency	
Entity	<input type="text" value="Search entities..."/>
Fx Revalues?	<input type="checkbox"/>
Is In Use?	<input checked="" type="checkbox"/>

Fill the Name field with the name of the ledger ('Dividends Paid Out' in this case – note the system will not allow a new ledger to have exactly the same name as an existing one so the name will have to vary slightly). Choose the appropriate Account Type (same as the previous ledger). From the Subledger drop down choose 'Any entity' or a specific kind of entity if that is how you post. **DO NOT CLICK THE SUBLEDGER OPTIONAL tickbox!** Set the Closes To ledgers to the same as the previous ledger.

Press 'Save', and your new ledger is set up.

When (and only if required), the payment ledgers have all been amended as above, you need to record the ledgers in the tax reposting configuration as follows.

Configuration of payment ledgers is performed from the Admin configuration screen as before.

PlainSail (debug)

← Tax Reporting Tax Reporting Administration

Auto-refresh Enabled?

Use source currency for payments?

Account Balance Strategy \* Reporting year end ▾

Total Assets Ledger \* Total Assets ▾

Total Liabilities Ledger Total Liabilities ▾ Clear

Relationships

3 owner relationships selected

3 other relationships selected

Ledgers

1 dividend ledgers selected

0 interest ledgers selected

0 proceeds and redemption ledgers selected

4 other payment ledgers selected

Reportable Categories

3 reportable FATCA categories selected

2 reportable CRS statuses selected

Press the appropriate category to choose the ledgers which may be used to record that category of payment, eg pressing [dividend ledgers](#) will get the following screen.

Search..

Please choose all ledgers used for dividends.

Accounts Payable - Trade Creditors

Accounts Receivable

Capital Account - Capital Distributions

Capital Account - Loans Written Off

Capital Distribution

Dividends Paid

Income Account - Distributions

Income Distribution

0/8

↶ Save

Select the ledgers which will be used to record dividends paid (in this case only Dividends Paid will be selected in this category) and press the save icon.

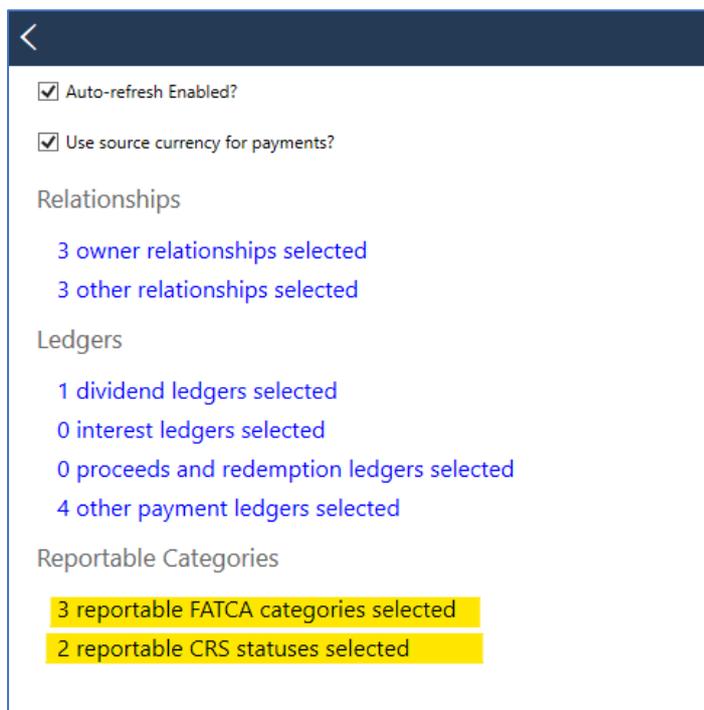
Repeat this process for all four categories. Please note that once a ledger has been chosen in one category, it may not be used in another and will not be listed.

This concludes the configuration of the ledgers.

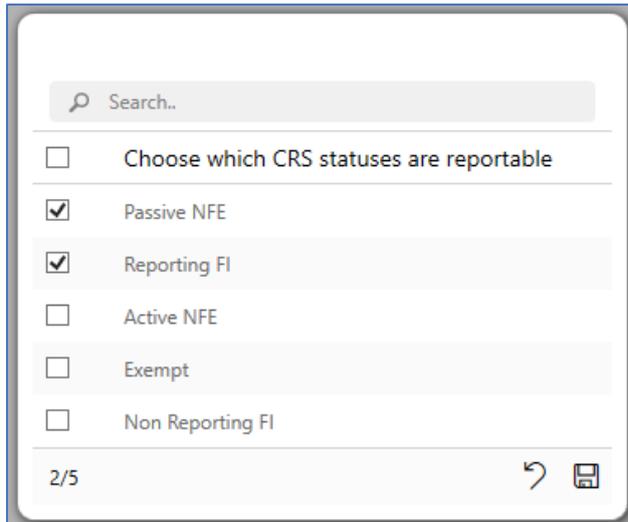
### Configuring the FATCA and CRS Classifications

The tax reporting requirements have defined classifications which need to be applied to each administered entity for both CRS and FATCA. Some of these classifications mean that the Reporting FI does not meet the criteria and therefore reporting is not required while the remaining classifications would mean the administered entity requires reports to be compiled. An overarching list of these classification is provided and you may decide which of them require reports to be compiled by ticking each one. A ticked classification will produce reports, whilst unticked ones won't.

To configure the classifications, go to the familiar Admin configuration screen and choose the from the highlighted options below.



For example clicking the CRS Status line, you will see the following screen.



As you can see, in this case the company has determined that only administered entities classified as a Passive NFE or a Reporting FI will require CRS reports to be created.

### Configuring the User Permissions and Tax Reporting Groups

There are several new roles associated with tax reporting and you need to assign these to the appropriate User Groups. The new roles are:

TaxReport_StartManual	Create the tax report even if the bookkeeping is not complete
TaxReport_AmendDataBeforeSubmission	Amend the report data before it is submitted
TaxReport_AmendDataAfterSubmission	Amend the report data after it is submitted
TaxReport_VerifyData	Verify the report data before it is submitted
TaxReport_ApproveData	Approve the report data
TaxReport_Administer	Administer tax obligations and configurations
Entities_TaxReporting_View	View tax reporting data and configuration

Your systems administrator must assign these roles to whichever User Groups you have defined and in line with your company's policy. For example, you may wish only your company directors to be able to approve a submission before you can send it, in which case she will amend the Directors user group to include the TaxReport\_ApproveData role.

The roles are explained as follows.

#### Entities\_TaxReporting\_View

This is the fundamental permission. All users who you want to be able to view the tax reporting records and configuration data must be assigned this role.

#### TaxReport\_Administer

Only users assigned with this role may change the configuration data associated with tax reporting.

#### TaxReport\_StartManual

Typically you will want PlainSail to create your tax reports based on the data in PlainSail. However, you can create a report manually by using 'Create Empty Report'. This function is controlled by the TaxReport\_StartManual role.

#### TaxReport\_VerifyData

When the data for the report has been created, the status of the report record will change from New to either ReportProduced or ReportWarnings. The former if there are no warnings in the report data (eg missing data) and the latter if there are.

When the report contains no warnings, its status will change to ReportOk and the Verify Report option will appear in the actions menu. When you are happy with the report, you can click Verify to send it for approval.

The option to verify is only available users with this role.

#### TaxReport\_ApproveData

As soon as a report is verified, its status changes to Verified and if you have been assigned this permission you will be given the option to approve the report. It is expected that the approvers will be people holding more senior roles in the company but that is a question of company policy.

If the approver decides it is not correct and wishes changes to be made the option 'Reject report' should be chosen. This changes the record status to RejectedByApprover and will go back to the verifier for amendment.

After approval, the status of the record changes to Approved and the transmittable (XML) message is produced automatically by the system and placed in a holding area ready for submission to the appropriate authority.

#### Entities\_AmendDataBeforeSubmission

Whilst viewing a report you may make changes and add data to it in the report viewer if you have been assigned this role.

#### Entities\_AmendDataAfterSubmission

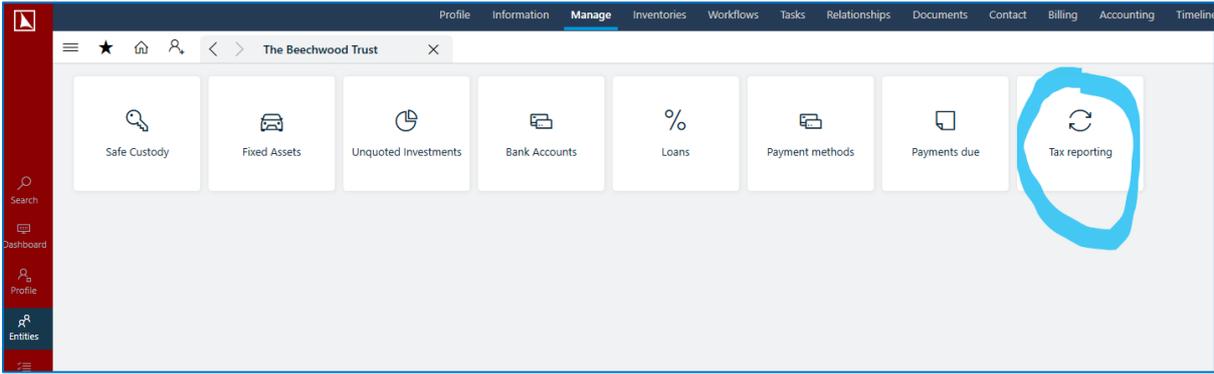
The process for amending data after it has already been transmitted is a much more complex affair and requires a new but different message to be created. Only users with this permission may do this action.

### Configuration of the Tax Reporting Classifications

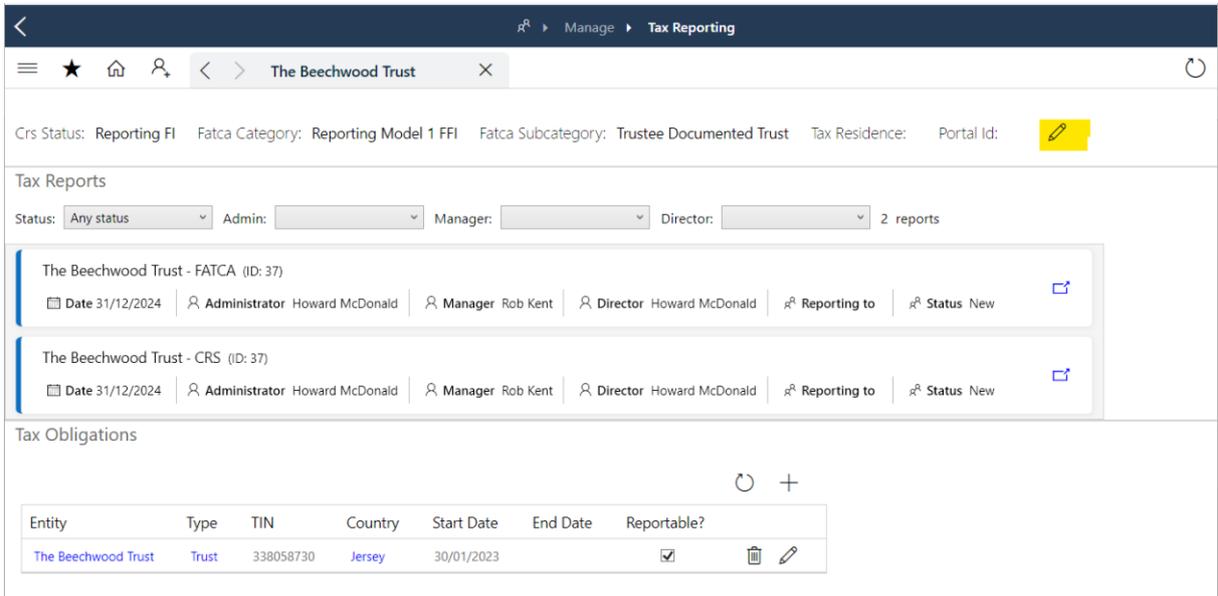
Tax classifications are fundamental to international tax reporting and every administered entity should be classified for both FATCA and CRS separately. PlainSail provides a single CRS classification per administered entity and for FATCA both a Category and Subcategory is defined.

**Important Note:** These categories are only applicable to Administered Entities or your administering companies that submit the return.

To set up the categories for an administered entity, first go to its record and choose 'Manage' from the top menu and then 'Tax Reporting'.



This will take you to the following screen which prior to configuration will not be populated. Notice that the top line will display the tax categories, the section below will display any reports which have or should be generated and the third section displays all of the countries to which the administered entity has an obligation to report to together with the relevant tax identification number (TIN /GIIN etc) that has been allocated to it by that jurisdiction.



Click the Edit icon (highlighted) to open the tax configuration:

The screenshot shows a web form titled "Edit Tax Reporting Configuration for The Beechwood Trust". The form contains the following fields and options:

- Entity\***: A dropdown menu showing "The Beechwood Trust" with a search icon, a close icon (X), and a user icon.
- Crs Status**: A dropdown menu with "Passive NFE" selected.
- Fatca Category**: A dropdown menu with "Reporting Model 1 FFI" selected.
- Fatca Subcategory**: A dropdown menu with "Trustee Documented Trust" selected.
- Tax Residence**: A dropdown menu that is currently blank.
- Portal Id**: A text input field that is currently blank.

At the bottom of the form, there are three buttons: "Delete" (with a trash icon), "Cancel" (with an X icon), and "Save" (with a floppy disk icon).

The first time this is done for an entity, the values will be blank.

For an individual, you would only specify the Tax Residence country if that is different to their Principal Residential address in Contacts.

For structures you administer, you need to select the CRS Status, FATCA Category and Subcategory.

As well as your administered entities you must also configure your companies that administer them and from which you send the reports. In this case you might also want to specify a portal id to use as the Sending Company IN on the FATCA/CRS report to override the GIIN/TIN. This will be provided for you by your reporting authority, if relevant.

### Configuration of the Tax Reporting Obligations

A Tax Reporting Obligation record contains information relating to an entity and the country it has an obligation to report its financial affairs to. Your company will have completed a tax profile for every person who is fiscally associated with an Administered Entity and this profile will reveal the jurisdiction(s) they are obligated to and the tax number they have been assigned by the jurisdiction. The Tax Obligation Records contain this information.

There is also a flag to confirm that the person is reportable in this jurisdiction. If this flag is not set, the person will not feature on the report. This allows the recording of TINs for informational reasons only.

Managed corporate entities may also use this mechanism to record any TIN (or GIIN) issued to them by any tax authority.

Creating, editing or deleting a Tax Obligation record is performed from the same screen as for the Tax Categorisations, i.e. Entity->Manage->Tax Reporting or if you are adding new tax obligation records

en masse, this may be done by choosing the Global Info > Tax Reporting screen and press the ‘Settings’ Cog Wheel at the top of the screen. This produces the following screen.

Entity	TIN	Country	Start Date	End Date
Adele Agathangalou	951200650	Spain	15/02/2022	
Adele Agathangalou	951200650	Turkey	15/02/2022	
Adele Agathangalou	628276126	United States	15/02/2022	
Agathangalou Limited	628276126	Spain	15/02/2022	
Agathangalou Limited	628276126	Turkey	15/02/2022	
Agathangalou Limited	628276126	United States	15/02/2022	
Amber Agathangalou	951200650	Spain	15/02/2022	
Amber Agathangalou	951200650	Turkey	15/02/2022	
Amber Agathangalou	951200650	United States	15/02/2022	
Arnold Agathangalou	951200650	Spain	15/02/2022	
Arnold Agathangalou	951200650	Turkey	15/02/2022	
Arnold Agathangalou	951200650	United States	15/02/2022	
Beechwood Limited	348548033	Spain	15/02/2022	
Beechwood Limited	348548033	Turkey	15/02/2022	
Beechwood Limited	348548033	United States	15/02/2022	
Cecil Charmwood	716612835	Spain	15/02/2022	
Cecil Charmwood	716612835	Turkey	15/02/2022	
Cecil Charmwood	716612835	United States	15/02/2022	
Charlotte Charmwood	716612835	Spain	15/02/2022	
Charlotte Charmwood	716612835	Turkey	15/02/2022	
Charlotte Charmwood	716612835	United States	15/02/2022	

Press the ( + ) button at the top right of this screen or on the entity’s own tax reporting screen ...

Crs Status: Passive NFFE Fatca Category: Reporting Model 1 FFI Fatca Subcategory: Trustee Documented Trust

Tax Reports

Refresh Daily Reports (testing) Obligations Configurations Admin Submitted:  Status: Any status Search

Id	Entity	Type	Country	Reporting Date	Submitted Date	Status	Administrator	Manager	Comments
31	The Beechwood Trust	FATCA	US	31/12/2022		New	SystemUser	Rob Kent	...
31	The Beechwood Trust	CRS	ES	31/12/2022		New	SystemUser	Rob Kent	...
31	The Beechwood Trust	CRS	TR	31/12/2022		New	SystemUser	Rob Kent	...

Tax Obligations

Entity	TIN	Country	Start Date	End Date
The Beechwood Trust	348548033	Spain	15/02/2022	
The Beechwood Trust	348548033	Turkey	15/02/2022	
The Beechwood Trust	348548033	United States	15/02/2022	

...will open the following.

### Add Tax Reporting Obligation

Entity\*

Country\*

TIN/GIIN\*

Start Date\*

End Date

Fatca-Crs Reportable?

Choose the entity and the applicable country (note that if a record already exists for that country you won't be able to input another), the Identification number which was issued by that country to the entity or person and amend the start date which will default to today.

Please note that if the TIN is unknown, there may be conventions in place which dictate what TIN may be used and this may vary by country. You may need to determine this by looking online at the relevant tax reporting conventions for that country.

Once you have input the information press Save and the entity will now start being included on reports to the appropriate countries.

Please note that the Start Date is very important and may need back-dating. If the obligation does not start before the reporting date, the entity will not be reported.

### Reportable Countries

PlainSail will only produce reports for countries that are marked as reportable in the Countries screen. Even if all other criteria above are met and your structures and individuals have tax obligations set up, if the country itself is marked as non-reportable, an empty Report Not Required will be created. You can check the list of reportable countries from Admin > Global Information > Countries:

Iso Code	Iso 3 Code	Name	In Use?	Reportable?	Corrupt Index	Risk Score	Other Risk	Overall Risk	Risk Reason	Sanctions	Currency	Comment
AF	AFG	Afghanistan	True	False	2	38	79	117	UK/US - Sanc	False		Edit
AX	ALA	Åland Islands	True	False	0	0	0	0		False	EUR euro	Edit
AL	ALB	Albania	True	True	2	38	0	38		False		Edit
DZ	DZA	Algeria	True	False	2	36	0	36		False		Edit
AS	ASM	American Samoa	True	False	0	0	0	0		False		Edit
AD	AND	Andorra	True	True	0	0	0	0		False		Edit
AO	AGO	Angola	True	False	2	40	0	40		False		Edit
AI	AIA	Anguilla	True	True	8	8	0	8		False		Edit
AQ		Antarctica	True	False	0	0	0	0		False		Edit
AG	ATG	Antigua and Barbuda	True	True	0	0	0	0		False		Edit

## Entities and Relationships

When an administered entity has been configured with one or more tax obligations, their tax report records will be automatically produced and will be available to create a tax report. The PlainSail tax report editor allows this to be done from scratch and has numerous automation features for assisting.

However, it is highly recommended that you allow the system to attempt to construct the report fully automatically. If all the owners, controllers and other associated parties have been set up correctly in the relationships section, all accounting entries up to the reporting date have been completed and all relevant static data (eg names, addresses etc) have been recorded correctly, PlainSail will automatically create a correct report without the need for amendment and this will make for a complete simplification of the tax reporting process.

Therefore if you find yourself needing to amend a report before you can verify it, ask yourself why you are having to do it and instead of doing it manually, change the fundamental system data (eg a missing relationship or an incorrect address), delete the reporting record and rerun the report. This is the preferred way to change the reports and will keep your system accurate and thorough whilst ensuring that you can have every confidence next year's submission will be accurate first time.

## Contact details

For tax reporting it is important that addresses for all entities on reports are recorded correctly. For individuals, you should use Principal Residential Address and for corporate bodies, Registered Office address. Note that even though trusts would not normally have a registered office, you need to provide one in Contacts so that we can report them correctly.

The reporting authorities require an explicit Tax City and although they accept free-form addresses for the rest of the addresses, the City must now be specified. There is a field called Tax City on addresses that will feed into the reports. If you do not specify it, you will need to do it in the FATCA report editor from where you can save it back to the address field itself, this updating other reports when they are edited.

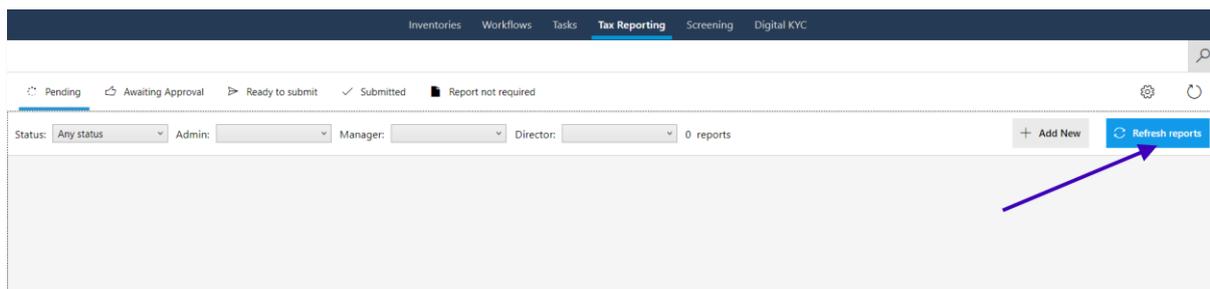
**Note** Once you have created a report, its address City will not be automatically edit unless you go back into the report editor. Alternatively you can delete the report and recreated it (if you have not made manual changes to it), and the City field will be automatically populated from the saved address.

# Creating Reports

Once the system has been configured for tax reporting, the creation of tax reporting records will commence automatically, and you can use the Tax Reports screen to manage the process of submitting the reports which are prescribed in the FATCA and CRS Schema published by the IRS and OECD respectively.

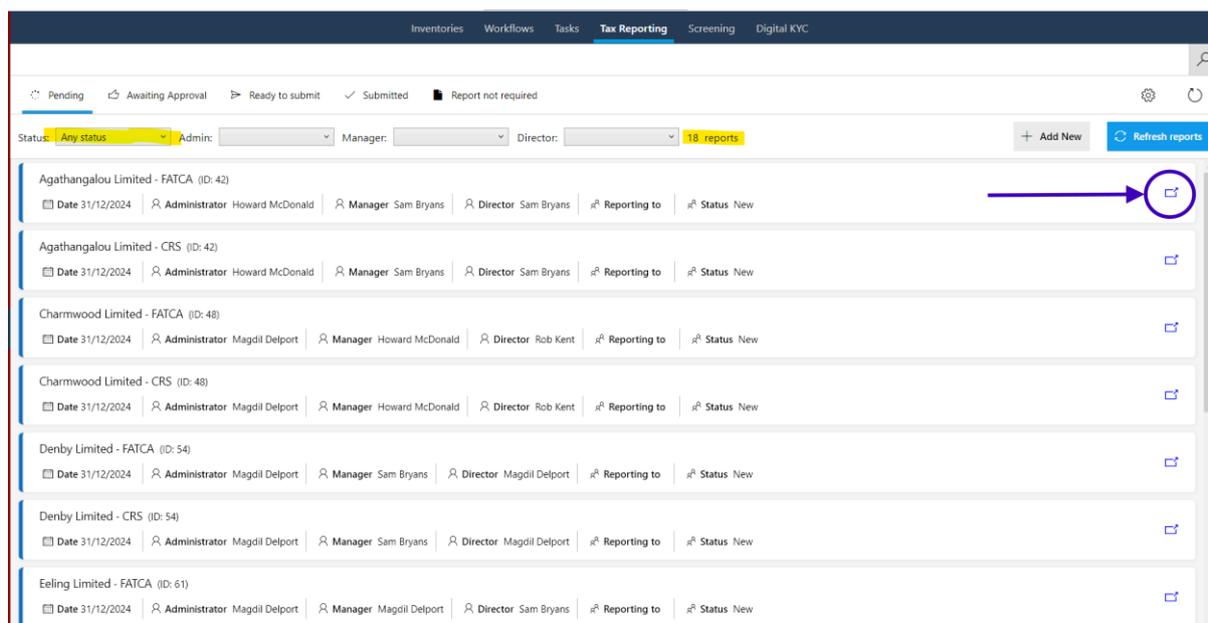
## Creating the Report Records for the Current Tax Reporting Period

All user functions are centralised and accessed through the Tax Reports Screen. Initially for a new reporting period, the screen will have no records and look like this.



If the 'Auto-Refresh Enabled?' configuration is ticked (See Configuration section) a background operation is performed every night to refresh the list of tax reports and will create any which are not already in existence (note that this is not the reports themselves but simply an entry in the reports table above to show you a report is required). However you may manually perform the same process by clicking the Refresh Daily Reports button (highlighted). For instance, if you have just made a change that has not been picked up yet, by refreshing the report records you can create the entries on demand.

This action may take a little time but the screen will then be populated with all reports which need to be submitted, as follows.

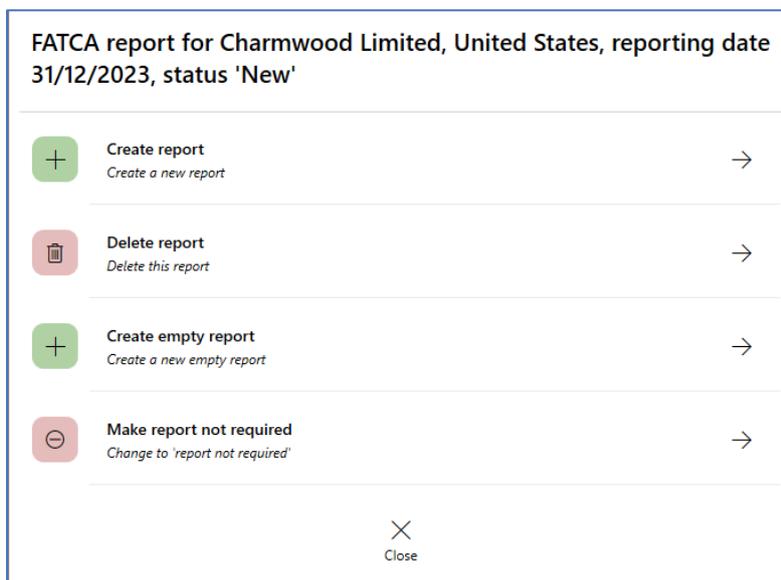


This screen is basically a list of all records produced by the system and will display the id and name of the entity, the type of report (FATCA or CRS), the country who receives the report, the reporting date, the date the report was submitted, the status of the record/report, the relevant roles for the entity (which you can use to filter the list. The Status of each record is New and as you work on them they go through various states until submission. A 'Comments' field will also appear if there are any.

Please note that the yellow highlighted section which is a status filter and displayed record count. The statuses being displayed are currently set at 'Any status' but when expanded gives the user 6 other statuses to display.

At the far right of each record is a pop-out symbol (highlighted in green) which, when clicked, will display the appropriate actions available for the record. These actions vary according to the status of the record.

For a record with a status of 'New' the options appear as follows.



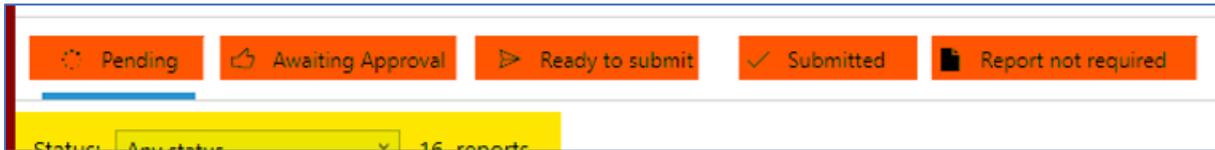
So for a New record you can choose.

- 1) Create Report' - creates the tax report and change the status to 'Report produced'.
- 2) Delete report – deletes the current report record. The record will be created again when the reports are refreshed.
- 3) Create empty report – a facility for you to create an empty report so that you can fill in all of the details yourself in the Report Editor.
- 4) Make report not required – will change the status to 'Report not required'. Use this if you recognise that the subject entity should not report for this period.

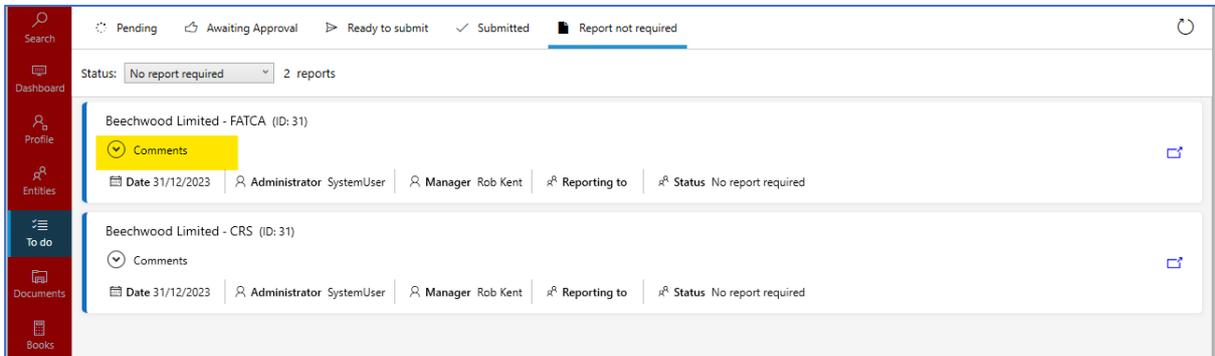
If you want to create a report for a different reporting year, click the Add New button and enter the year and then select FATCA or CRS. If there is already an existing record in the database for that combination, you will not be able to create another report.

### Stages of the reporting process

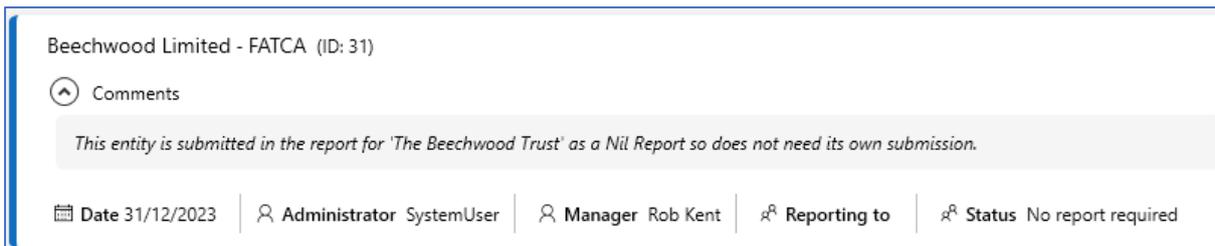
At the top of the screen are five tabs which display other stages of the reporting process. Clicking any of these tabs will display any record relevant to their purpose. The default is Pending and all such records denote that there are still things for you to do before the reporting process can move on to the next stage.



When the report records are produced the records will show in Pending tab or the ‘Report not required’ tab. Report records in the latter look as follows.



You can see that the Comments section (highlighted) is now visible. Clicking on the adjacent arrow reveals the reason why a report isn’t required as illustrated below.



Reasons a ‘Report not required’ status could be as follows.

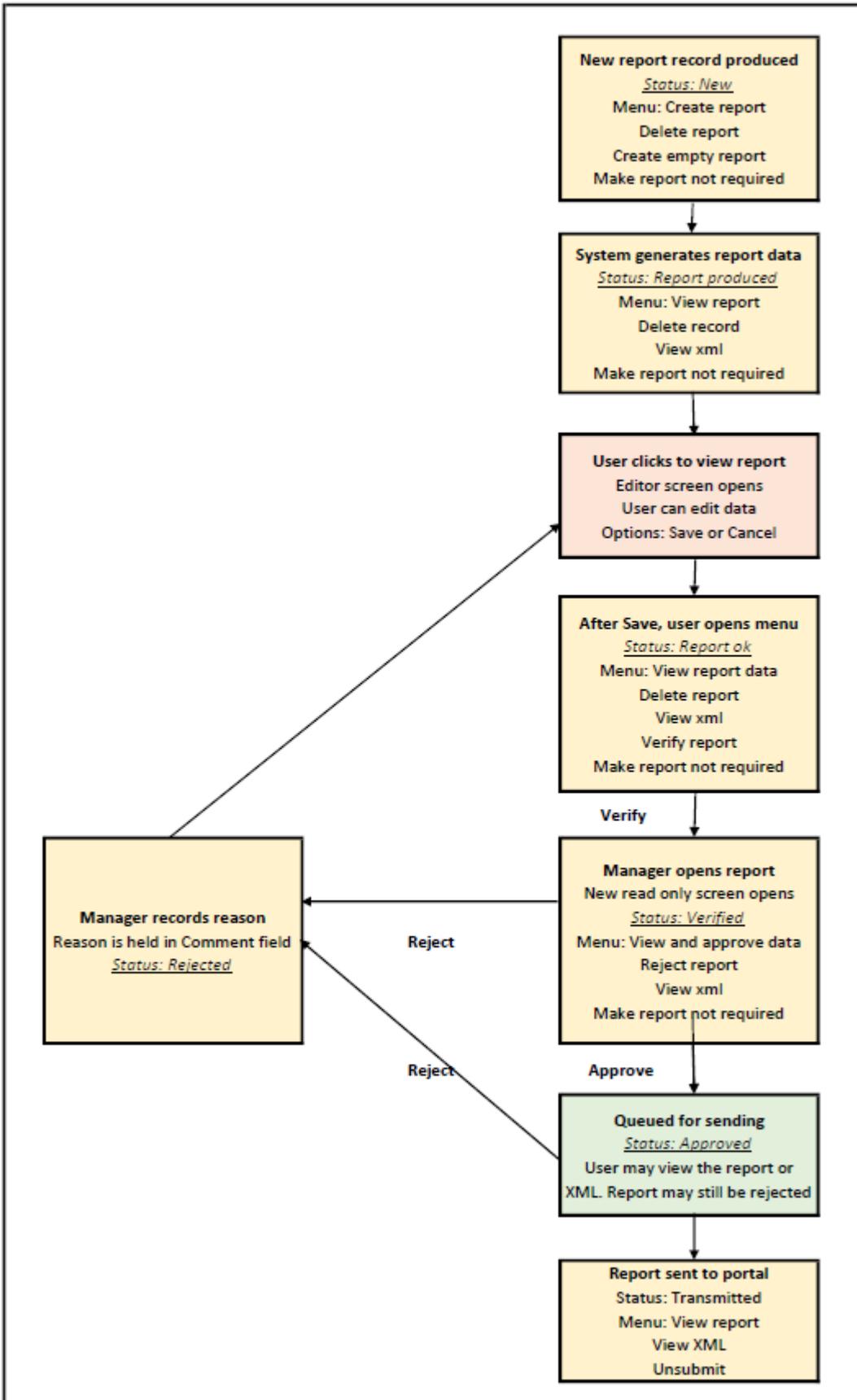
- The entity is a wholly owned subsidiary of another administered entity and therefore the parent entity will include its value in its own asset value.
- The entity has no relevant associations for the report and therefore will not require a report. For example, an entity with no connections or associations to the US will not need a FATCA report.
- The entity’s FATCA or CRS category is non-reportable.
- The Country is marked as not reportable in Admin > Global Information > Countries.

One of the available actions which is applicable to any record as yet unsubmitted, is a Delete option which will entirely delete the record. This is not as disastrous as it sounds because pressing the Refresh Reports button will re-create the record as a blank record. The process of creating the report records will only produce a new record if one doesn’t already exist.

The other tabs also list reports records for entities that have produced a report and are awaiting authorisation, ready for submission and submitted.

### Workflow for Report Production to Transmission

In general, the process flow for the end-to-end process is as per the following chart.



Below is a run through the process as outlined in the above flowchart.

### Step 1 – New records

Once a record has been produced, it will have a status of 'New' and the report data will not yet have been created. Prior to creating the data you must check that the bookkeeping data for the entity and any of its subsidiaries is up to date as at the reporting date. This is important to ensure that the transmitted data is completely up to date and accurate.

If you realise that a record should not have been produced, you may choose **Delete record** (see above) and this will completely remove the record. However, unless the underlying data is fixed, the record will re-appear the next time a refresh is run. Of course the deletion of the record will immediately terminate the process.

When you are satisfied that an entity's bookkeeping is ready, you may press the Menu Icon and choose the option **Create report**. This will create the report data and change the status of the record to **Report produced**.

When creating the report, PlainSail has some built-in intelligence to recognise whether there were any anomalies in what it created, such as missing or ambiguous data or combinations of data which prevent it from formulating some of the required report codes. In such cases the status of the record changes to 'ReportWarnings' and the record will be displayed in red. Until these have been rectified, the record will not be able to move to the next stages.

The New status also provides a third option as **Create empty report**. This will create a skeleton report which you may be complete manually.

It is strongly recommended that the better option is to let the system produce the report by using the 'Create report' option. If it is not producing a sensible report, it is because the underlying data is missing or inaccurate and you should get that in order first and let the system produce a new report.

Finally there is the option to 'Make report not required' which, when chosen will request a reason to record why the report is not required. This reason will be visible under the Comments section of the record and the record itself will move from the 'Pending' tab to the 'Report not required' tab.

If the record generated by PlainSail did not designate the status as Not Required, there is a strong likelihood that it is required. If you are certain it is not required, you should examine the underlying data to ensure it has been categorised correctly and that relationships recorded are correct. It is always better to fix the underlying data, delete the record and regenerate the report.

Other options available are a) **Delete record** as in Step 1 or b) **View xml** which opens up a window to check the report in the raw XML format that will eventually be transmitted. This is not a very user-friendly format but is of interest to those with technical knowledge or an inquiring mind.

### Step 3 – Verify the Data

The record status is still **Report produced** at this point but may also be **Rejected** if the flow has returned it to this point from because a manager has returned it after their review.

In either case, you should open the report editor by clicking the Menu Icon and choosing **View report data** and this allows viewing or editing the report data to ascertain whether you can verify, amend or delete the record. See 'Viewing and Editing Report Data Using the Editor Screen' below.

When you have saved the report, the Status will change to 'Report ok' and you have 5 options as follows.

**View report data** – takes you back to the report editor where further changes may be made.

**Delete Record** - as in the previous steps, the record will be deleted and at this point deleting the record also deletes the report data.

**View xml** – allows you to view the report in its raw XML format. Note that this is **not the final XML** as certain bits of internal information such as DocRefId values and SendingCompanyIN can only be finalised at submission. **You should not try and submit this interim XML.**

**Verify report** – this option is taken after you have scrutinised the report data and are satisfied that it is correct. This moves the process to step 4 and closes the **View Report** window.

Please note that the **Verify report** option is not available if the data contains missing or invalid data and the warnings are present.

**Make report not required** – as per previous step.

#### Step 4 – Approve the Report

The record status has changed to **Verified** and is now ready for approval by a Manager or Supervisor. The report record has now moved from the 'Pending' tab to the 'Awaiting Approval' tab. When the manager clicks the Menu Icon, there are 4 options.

**Approve report** – this opens the familiar edit in a read only state and is purely for inspecting the data and this version of the screen presents options to **Approve** or **Undo**. Undo simply closes the window whilst Approve closes the window, changes the record status to **Approved** and the process moves to step 5.

**Reject report** – choosing this option opens a pop-up window requesting a short reason for the rejection and after inputting this and confirming the rejection, the status is changed to 'Rejected by approver' and the reason is appended to the record's comment so it may be seen by the person who will amend the report. Hovering over the Comment field will reveal the complete history of comments since the inception of the record.

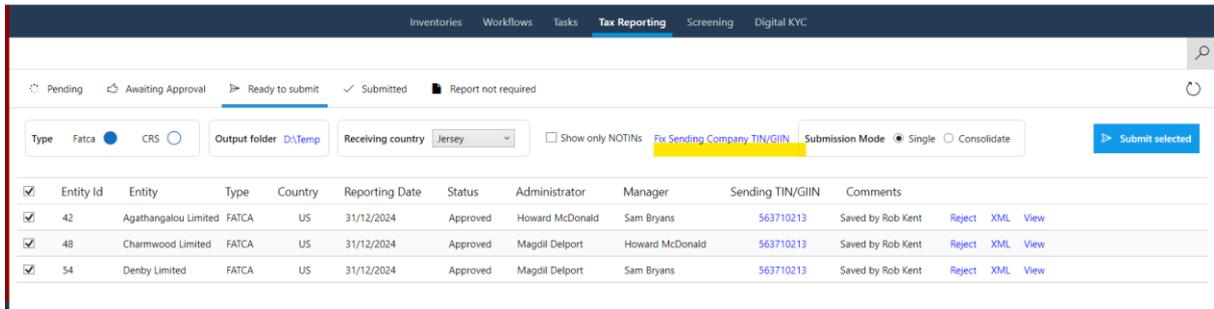
**View xml** – see previous explanation.

**Make report not required** – as per previous steps.

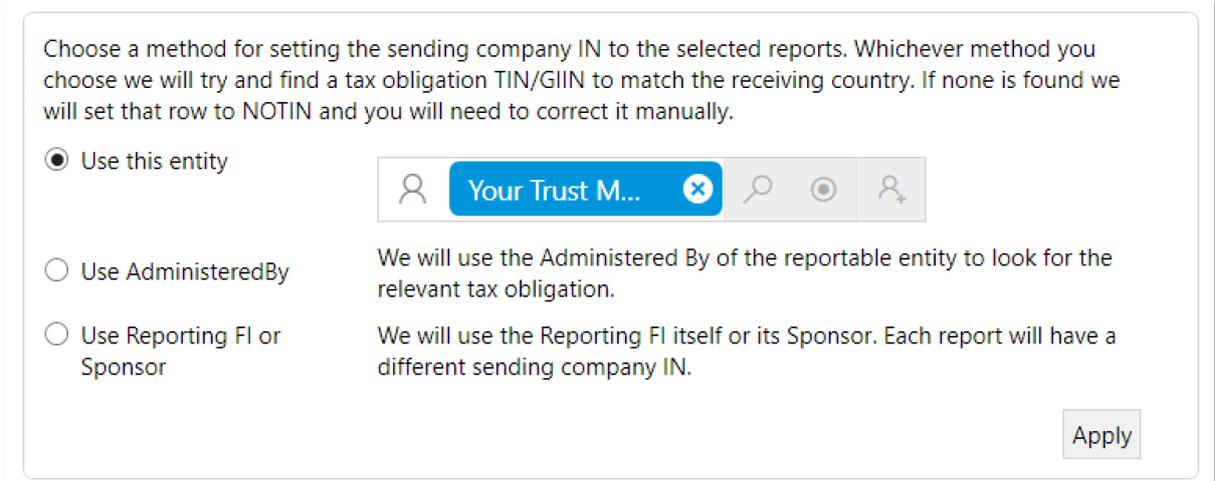
#### Step 5 – Submissions

When a report has been approved, it moves from the 'Awaiting Approval' tab to the 'Ready to submit' tab and has a status of Approved.

Before you submit you reports you can view them either in the editor or the XML viewer. The report is now in a read-only state and cannot be change though. You can also reject the report and send it back to be edited.

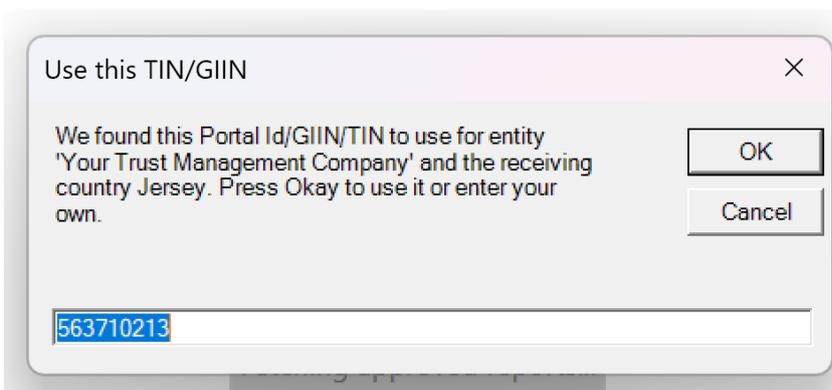


If you are not consolidating your reports and going to send them individually, you may need to fix up the Sending Company TIN/GIIN across your selected reports. Click on Fix Sending Company TIN/GIIN and you can then select a strategy:



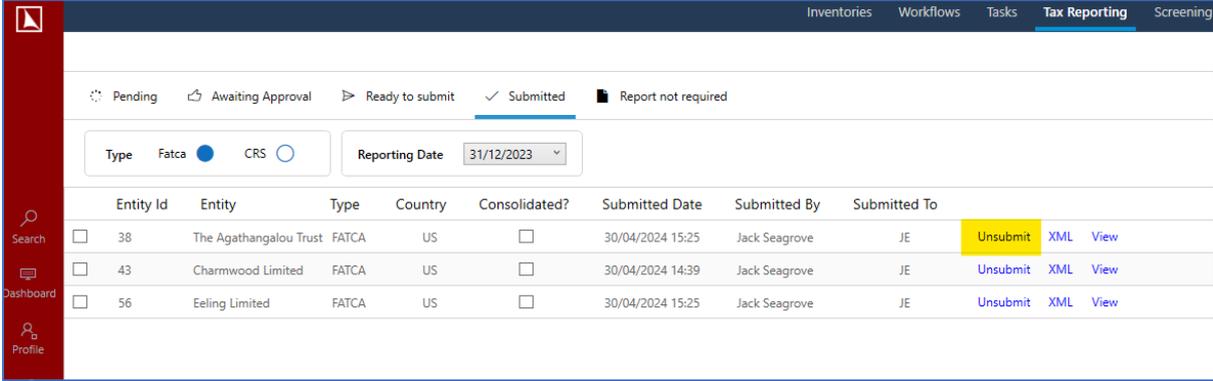
Even after you have done this, you fix individual reports by clicking on the Sending TIN/GIIN column and editing it.

If you select multiple reports and click the Consolidate radio button, you have to select a sending company for all the reports. You need to make sure that this is appropriate for all of the reports selected. PlainSail will then find either the Portal Id for that sending company or its TIN/GIIN from its tax obligation to the reporting authority. When you click Submit, you can see the value it found (or nothing) and you can override it before it updates the reports:



The process is now in the submission phase and to send the reports you would first select which of the list of reports you would like to send in the left-hand tick boxes, then 'Submit selected' button

(highlighted) whereupon the selected reports will move from the 'Ready to submit' tab to the 'Submitted' tab. This screen appears as follows.



The screenshot shows the 'Tax Reporting' section of the PlainSail system. At the top, there are navigation tabs: 'Inventories', 'Workflows', 'Tasks', 'Tax Reporting' (selected), and 'Screening'. Below the tabs, there are filter buttons for 'Pending', 'Awaiting Approval', 'Ready to submit', 'Submitted' (highlighted), and 'Report not required'. A 'Type' filter is set to 'Fatca' and a 'Reporting Date' dropdown is set to '31/12/2023'. The main area contains a table with the following data:

Entity Id	Entity	Type	Country	Consolidated?	Submitted Date	Submitted By	Submitted To				
<input type="checkbox"/>	38	The Agathangalou Trust	FATCA	US	<input type="checkbox"/>	30/04/2024 15:25	Jack Seagrove	JE	Unsubmit	XML	View
<input type="checkbox"/>	43	Charmwood Limited	FATCA	US	<input type="checkbox"/>	30/04/2024 14:39	Jack Seagrove	JE	Unsubmit	XML	View
<input type="checkbox"/>	56	Eeling Limited	FATCA	US	<input type="checkbox"/>	30/04/2024 15:25	Jack Seagrove	JE	Unsubmit	XML	View

Report submissions are dealt with in detail in the section Submitting a Report below.

When all the correct parameters have been set, a new XML file is produced and stored in the output folder specified in the above 'Ready to submit' screen.

As the process for actually sending the XML file to the appropriate data portal is a manual one, this is the end of the journey for the report records with the exception of pressing 'Unsubmit' above (highlighted).

This may be done if the report has not yet been manually submitted or was rejected by the portal. When this is clicked, you will be asked for a reason for why the submission is being undone or cancelled and the report is removed from the submissions list. The original report record is updated with a status of 'Rejected by approver', the reason appended to the Comment and the process returns to Step 2.

### Step 6 – Transmission

As the process for transmitting the report to the appropriate data portal is manual, this is dependent on the location of the portal and any local rules associated with it.

However, the ultimate receiver(s) of the data or the portal itself may return a message or even reject the report and this may give rise to requiring the 'Amendment Process' to be utilised. As at the date of this document, PlainSail has not implemented this process.

## Viewing and Editing Report Data Using the Editor Screen

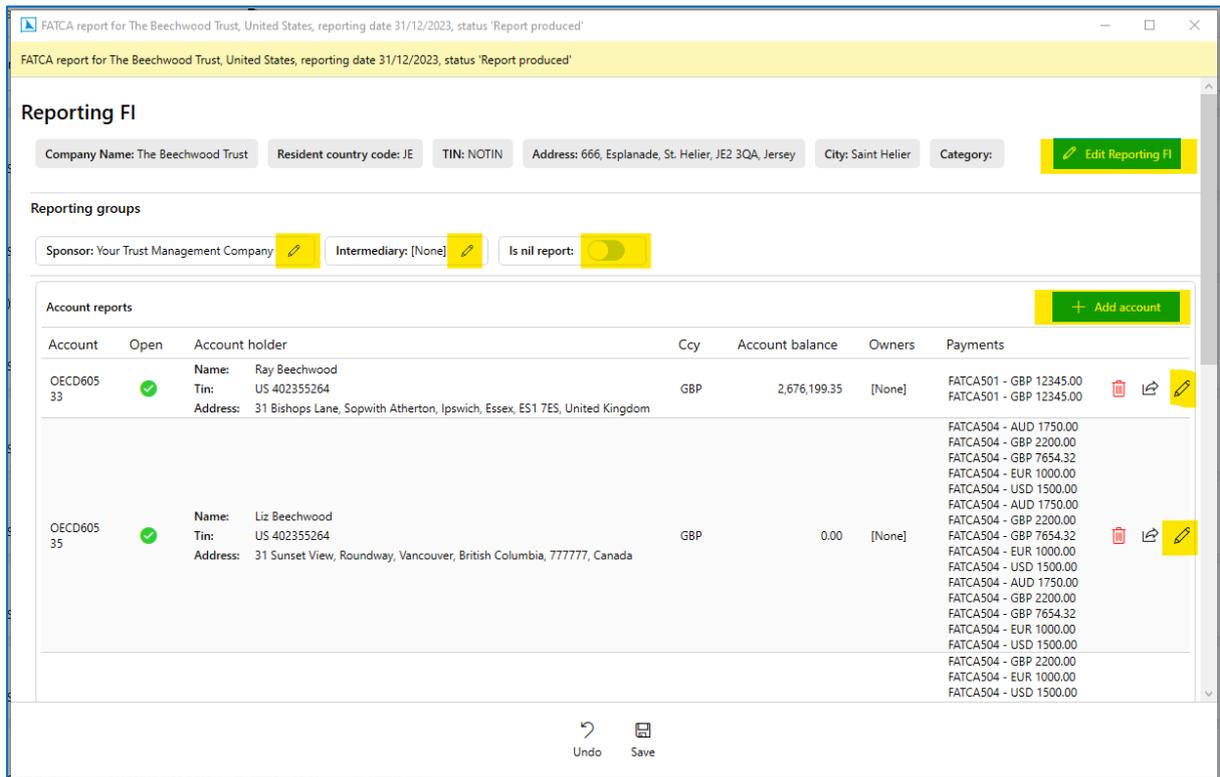
If you had pressed **Create empty report** you would see the report editor devoid of most of its data.

The screenshot shows a web browser window with the title 'FATCA report for The Denby Trust, United States, reporting date 31/12/2022, status 'Report warnings''. The main content area is titled 'Reporting FI' and contains several fields: 'Company Name: The Denby Trust', 'Resident country code: JE', 'TIN: NOTIN', 'Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey', 'Address: Saint Helier', and 'Category:'. There is an 'Edit Reporting FI' button. Below this is the 'Reporting groups' section with 'Sponsor: [None]', 'Intermediary: [None]', and 'Is nil report: [toggle]'. The 'Account reports' section shows 'No accounts' and an 'Add account' button. At the bottom, there are 'Undo' and 'Save' buttons.

Some of the data has already been completed pertaining to the record chosen. Note that report warnings already exist but will disappear upon correct completion.

It is strongly recommended that the better option is to let the system produce the report by using the 'Create report' option. If it is not producing a sensible report, it is because the underlying data is missing or inaccurate and you should get that in order first and let the system produce a new report.

If the report had been produced automatically, you may **View report data** to open the editor screen revealing the main Editor screen as follows.



Please note the scroll bar on the right of the screen denoting that more data is available below.

All FATCA and CRS reports comprise a header section followed by one or more message bodies. In the report editor, the message header is not visible and therefore not editable but you can see what it contains if you use View Xml from the actions panel. The message bodies comprise a Reporting FI section and a Reporting Group made from one or more Account Report sections or a Nil report section (FATCA only). Depending on the type of entity being reported the Reporting Group may also contain a section to record a Sponsor.

**Note:** There is also a section in the Reporting Group to record an Intermediary but PlainSail does not yet support this option in the editor.

The areas highlighted in yellow in the above screen shot, indicate the touchpoints for editing the report data. We will take them one at a time.

[Edit Reporting FI, Sponsor or Intermediary](#)

Clicking this button will open the screen for editing the Reporting FI data as follows.

### Edit Correctable Report Organisation Type

Section 1 - Account details

Account

Name: The Beechwood Trust

Resident country: JE - Jersey

Filer category:

Address

Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey

Address city\*: Saint Helier

Address country: JE - Jersey

TIN

Tin: NOTIN

Issued by: US - United States

Undo Save

### Edit Sponsor

Section 1 - Account details

Account

Name: Your Trust Management Company

Resident country: JE - Jersey

Filer category: FATCA607 - Sponsoring Entity of a Sponsored FFI

Address

Address: 5 Bond Street, St Helier, JE2 3NP, Jersey

Address city\*: Saint Helier

Address country: JE - Jersey

TIN

Tin: 123-765432-SP-987

Issued by: US - United States

Undo Save

Press Save to save your changes to that section of the report, or Undo to exit without saving. Although you have saved your changes to that section of the report, the whole report is not saved to the database until you click Save on the main editor screen. So you can make changes to many sections of the report and abandon them if you click Undo on the main screen.

#### Add or Edit an Account Report

Clicking on the highlighted edit button (denoted by a pencil) brings up the Account Report editor screen. If instead the highlighted Add Account button had been clicked, the same screen opens with blank data.

**Edit account report** Toggle All

Section 1 - Account details

Account

Account type: OECD605 - Other

Account number: NANUM

Account closed:

Account balance: GBP - Pound Sterling 2675739.35

Section 2 - Account holder

Entity type

Individual  Organisation

Individual details

Titles:

First name: Liz

Middle name:

Undo Save

Note the scrollbar on the right of the screen indicating more data below.

There are four collapsible sections to an account report:

1. Account details
2. Account holder
3. Owners (conditional)
4. Payments

If an account holder is an individual, the Owners section is not applicable and will be hidden. However, if it is corporate, the underlying individuals owning the corporate should be recorded as Owners, if applicable.

If you have configured the payment ledgers correctly and recorded all payments to an account holder, every payment made to them will be listed correctly. If they are not correct, you may manually add them.

**Note:** PlainSail lists every payment in the editor but when we submit the final report they are consolidated by type; this is required by the FATCA and CRS schemas.

### Create a Nil Report

This is applicable to FATCA only.

Upon clicking the button you will see a warning pop up reminding you that any Account Report data will be lost if you continue and allowing you the chance to cancel if appropriate.

If a Nil report is required, it will appear as follows.

FATCA report for The Beechwood Trust, United States, reporting date 31/12/2022, status 'Report produced'

FATCA report for The Beechwood Trust, United States, reporting date 31/12/2022, status 'Report produced'

### Reporting FI

Company Name: The Beechwood Trust   Resident country code: JE   TIN: NOTIN   Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey   Address: Saint Helier   Category:   [Edit Reporting FI](#)

### Reporting groups

Sponsor: Your Trust Management Company [✎](#)   Intermediary: [None] [✎](#)   Is nil report:

**NIL REPORT** ✓

[↶](#) Undo   [💾](#) Save

## Submitting Reports

When one or more report has been approved, you can submit them from the screen which you open by clicking the 'Ready to submit' tab.

This shows you a list of all the reports approved and ready for submission:

Entity Id	Entity	Type	Country	Reporting Date	Status	Administrator	Manager	Comments		
<input type="checkbox"/>	32	The Beechwood Trust	FATCA	US	31/12/2023	Approved	SystemUser	Rob Kent	Saved by Jack Seagrove	<a href="#">Reject</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	44	The Charmwood Trust	FATCA	US	31/12/2023	Approved	SystemUser	Rob Kent	Saved by Jack Seagrove	<a href="#">Reject</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	57	The Eeling Trust	FATCA	US	31/12/2023	Approved	SystemUser	Rob Kent	Saved by Jack Seagrove	<a href="#">Reject</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	51	The Denby Trust	FATCA	US	31/12/2023	Approved	SystemUser	Rob Kent	Saved by Jack Seagrove	<a href="#">Reject</a> <a href="#">XML</a> <a href="#">View</a>

Note that you may view either all FATCA reports or all CRS reports by choosing one or other on the header line. This is because, if you decide to consolidate your reports for submission, FATCA reports may not be consolidated with CRS ones.

The purpose of this screen is to allow you to choose the reports you wish to submit and then create either a consolidated XML file for the reports or individual XML files depending on whether you choose Single or Consolidate from the header menu.

When the file(s) has been produced it will save it in a folder which is specified in the header line as 'Output folder:'

For example, if the selection was made (by ticking the selection boxes to the left of the entries above) to choose the first 2 reports (The Beechwood Trust and The Charmwood Trust), and you chose to save the XML files singly (unconsolidated), the following files would be created in you output folder.

2023-FATCA-US-JE-The Beechwood Trust.xml

2023-FATCA-US-JE-The Charmwood Trust.xml

However if you had chosen all 4 entries along with the consolidate button, a single file would be created in the output folder as follows.

FATCA\_JE\_4\_reports\_consolidated.xml

In the latter case the file would contain four reports (message bodies) under one overriding header.

Once the XML files have been created it is the responsibility of the person(s) assigned by your company to present the files to the appropriate data portals.

**Note** When you click Submit and confirm, PlainSail assumes that you will upload the files to the tax authority portal and it changes the status of each individual report to 'Submitted'. If anything goes wrong and you are unable to upload the report, you should go to the Submitted screen and unsubmit those reports (see below for more information).

Once you have finished both the FATCA and CRS reports and all reports have been submitted, the 'Ready to submit' screen will be empty. Click the 'Submitted' tab to show the following screen.

<span>⌚ Pending</span> <span>↩ Awaiting Approval</span> <span>▶ Ready to submit</span> <span>✓ Submitted</span> <span>■ Report not required</span>									
Type		Reporting Date							
Fatca <input checked="" type="radio"/> CRS <input type="radio"/>		31/12/2023							
Entity Id	Entity	Type	Country	Consolidated?	Submitted Date	Submitted By	Submitted To		
<input type="checkbox"/>	32	The Beechwood Trust	FATCA	US	<input checked="" type="checkbox"/>	30/04/2024 16:33	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	43	Charmwood Limited	FATCA	US	<input type="checkbox"/>	30/04/2024 14:39	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	44	The Charmwood Trust	FATCA	US	<input checked="" type="checkbox"/>	30/04/2024 16:33	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	56	Eeling Limited	FATCA	US	<input type="checkbox"/>	30/04/2024 15:25	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	57	The Eeling Trust	FATCA	US	<input checked="" type="checkbox"/>	30/04/2024 16:33	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>
<input type="checkbox"/>	51	The Derby Trust	FATCA	US	<input checked="" type="checkbox"/>	30/04/2024 16:33	Jack Seagrove	JE	<a href="#">Unsubmit</a> <a href="#">XML</a> <a href="#">View</a>

At this point PlainSail does not know whether the submission was successful or not as it did not have a role in submitting the XML files.

However, if an XML file is rejected by the portal or by an ultimate receiving country, you may press Unsubmit and this will change the status of the original report record and the data may be edited and re-submitted or the report record completely deleted and the process started from scratch.

Note also that the records above provide options to 'View' the data or view the 'XML'. If View is chosen, you will see the familiar report editor screen with the data for the individual record. If XML is chosen, however, if it is against a Consolidated record, you will be provided with the option of either viewing the XML for the single record or the Consolidated XML.

## Amending Submitted Reports

The data schemas for both FATCA and CRS have defined elaborate and precise methods for amending data which you have already transmitted and which has been accepted by the target tax authority. Amendments may be required because you may have subsequently found out that some of the data was wrong or inappropriate or you may have received a message from the tax authority that a reportee was not recognised or other anomaly.

Such cases will require you to submit a new report amending or voiding the data previously sent.

PlainSail will be developing the functionality for you to easily compile these reports but as yet there is no functionality.

## Appendix 1 – PlainSail Methodology Explained

This appendix outlines how PlainSail compiles FATCA and CRS reports, the mechanisms available to the users of PlainSail and instruction on the manual operations and interventions that they need to perform.

### Prerequisites to reporting

In order to support the reporting mechanism, two new data structures have been added to PlainSail and will be populated by the users of the system.

The first involves a newly designed screen in which the user records the relevant country and the tax identification number ('TIN') for any entity which has been issued with a TIN as well as indicating whether there is a necessity to report the entity to the issuing country.

The second adds 3 fields to Administered Entities holding FATCA Category, Subcategory and the CRS Status. It is here that the user defines the type of entity under the definitions provided under FATCA and CRS (e. g. Passive NFFE, Trustee Documented Trust etc.). The values that the FATCA Category and the CRS Status that may require reporting must be initialised in the Tax Reporting Configuration as a pre-requisite for reporting to begin.

Prior to the new mechanisms, information was recorded in the various tax profile inventories, these inventories will seed the data in the new locations and the inventories amended to remove the, now defunct, data.

Tax reporting also requires that any payments to reportable individuals are listed in the 'Payments' subsection of the 'Account Report' section and these are summarised into subtotals by payment type. To recognise these payments, a configuration section has been added to record which ledgers are used for different categories of payments. Any ledger recorded as such must have a subledger of 'AnyEntity' and if they are currently not so configured, new ledgers must be created and the old ledgers made redundant.

The configuration mechanism also requires a list of relationships which determine whether the connected party is relevant for reporting either through ownership or other connections. For example, if person A is the Owner of company B and has a reporting obligation to the USA, PlainSail must compile a report for company B naming person A's involvement. Non-ownership roles may also be relevant, e.g. Beneficiary of a Trust.

It is the responsibility of the PlainSail users to identify and record which individuals need to report and the relevant associated countries and TINs as well as the relevant categories. There are no mechanisms to assist this in PlainSail and it is likely that, generally, this is a one-off exercise.

### Composition of a report

Whilst there are several critical differences between CRS and FATCA reporting requirements, they are fundamentally similar and use exactly the same underlying data structure.

A report is sent to the data portal as a 'message' in XML and will always consist of the following elements:

Message header

FATCA or CRS message body: One or more blocks of the following

Reporting Financial Institution data

Reporting Group data: One or more blocks of the following.

Optional Sponsor data

Optional Intermediary data

Nil Report or

One or more Account Report consisting

Account data

Account Holder data

Associated owners and controllers (individuals and corporates) and/or

One or more Summary Payments data

One or more Pool Report

Although the facility for Pool Reports is in both schemas, they are not yet implemented in PlainSail nor in CRS or FATCA. In addition PlainSail does not, as yet, create the Intermediary section.

## The Dashboard

At any time, the reporting dashboard will report all data records and their status, with suitable filters, and users will be able to edit records both prior to and after submission. However, it is recommended that editing of data prior to submission should be done by editing the underlying data in the accounts and deleting the incorrect record for the individual so that the new data can be automatically regenerated the next day or on demand.

Editing data after submission, requires a strict protocol and involves the transmission of new reports which correct the previously sent data and therefore, once transmitted, the records may not be deleted. Compiling any post submission correction/deletion reports is not yet implemented in PlainSail.

## Producing Report Records

Each administered entities (trusts, companies etc) produces a single report record for the reporting period for FATCA and CRS (one for each).

The records may be created automatically by a background task on a daily basis or manually from the Tax Reporting dashboard. The process determines whether the record it is generating already exists and only produces one if it doesn't.

When producing the record it will examine the underlying data connections to determine whether the report is needed. For example, if there are no underlying connections or associations with the USA, it will create a FATCA record but with a status that no report is necessary. The FATCA Category or CRS Status will also determine whether a report will be needed. If a report is not required, the report record is still produced but carries a status of 'No report required' and the reason recorded in the dropdown 'Comment' on the report record. These records are viewable on the main dashboard in the Report Not Required tab.

In addition, it also examines the ownership of companies and, if it is wholly owned by another Administered Entity, it will change the status to note that a report is not needed on the grounds that the asset is already being reported in the parent entity. In such cases it will add a NIL report for the child company to the parent entity. However, any payments made from a subsidiary entity will be included in the parent entity's report.

All FATCA reports will record that the receiving country is US and create data only relevant to the US participants. For CRS reports, because the target tax authorities are numerous, the receiving country will be the jurisdiction which the report is submitted to, which is usually, but not always, the local portal.

Each record will eventually produce a completed FATCA or CRS report but, as the reporting includes accounting information, the reporting should not be triggered until the accounting for all associated administered entities has been completed, verified and closed as at the reporting date. If a report is produced prior to this closure, it may contain inaccurate or incomplete information and necessitate a follow up amendment at a future date. However, as the report creation is triggered manually, it will compile it using the relevant data as at the reporting date regardless of whether the bookkeeping has been 'Closed' at that date.

Therefore, all reports produced will have all the data required for a single reportable administered entity together with Nil Reports for any wholly owned reportable subsidiaries.

As the administered entities also may have a duty of reporting, this information may also be recorded in the newly designed Tax Reporting Obligations screen.

### Creating a report

When PlainSail creates a report, it first creates the message header (MessageSpec), followed by a message body stating the subject administered entity as the Reporting FI.

The Reporting Group is then created and, by examination of the entity's tax categories, it determines whether it is sponsored. If it is, the Sponsor is chosen as the Reporting FI's 'Administered By' entity (as displayed on the Entity Profile screen) which is one of your own companies.

FATCA requires a Filer Category to be included against the Reporting FI but if a sponsor is present, the Filer Category must be blank for the Reporting FI and completed for the sponsor instead.

Relevant relationships are defined in the relationship configuration and PlainSail then determines a list of entities by examining administered entity's relevant relationships. For each one recognised, an Account Report is produced stating the connected party as the Account Holder.

If the Account Holder is a corporate entity and not an individual, PlainSail drills down into the ownership of the corporate entity and reports the ultimate individuals (if they have an appropriate tax obligation) under the Owner/Controller section (Substantial Owners in FATCA). For this reason, it is important to record all ownership relationships for corporate entities even if you aren't administering them.

As the accounts being reported are entire corporate entities, the Account Balance is taken as the total asset value of the Reporting FI. It may prove a more complex calculation when put into production and, if this is the case, we may need to devise a different method of determining value.

Wholly owned subsidiary entities are not reported in this message body as it is assumed that their values are reflected in the total assets of the top entity. However, for FATCA, if the subsidiary entities have reporting obligation records for the US, a new message body is created for each one and listed separately with Nil Reports,.

Also under the Account Report, any payments to the individual from anywhere in the structure are reported and summarised by payment type. As the configuration lists all ledgers used to represent various types of payments to individuals, PlainSail does this by examining all the named ledgers for all

the relevant parties and subsidiaries and recording them individually in the Payments section of the Account Report. These are later consolidated by type and currency in the final submission but having them separate prior to that, makes it easier for the user to edit them if necessary.

The Pooled Report element of the Reporting Group section is not catered for in PlainSail.

### Report Submissions

The User Manual explains how the users of PlainSail guide the FATCA & CRS reports through a verification and approval phase to produce authentic and verified XML which is suitable for acceptance by the appropriate data portals.

PlainSail does not yet have interfaces with any such portal but may develop these at a later date.

## Appendix 2 – End to End Example

This section represents a fictitious, step by step, guide to setting up a new structure with 2 administered entities and a variety of connected parties with tax obligations to a variety of tax jurisdictions.

### Overview of the example scenario

In this scenario, your company has onboarded a new client who, recently widowed, wants to set up a Trust which wholly owns an investment vehicle and part owns, with himself, an active trading company.

The client is the settlor of the trust, its beneficiaries are his 2 adult children and it also has a protector. The settlor lives and is taxable in the UK but is of US origin and therefore has an obligation to report to the US. One of the children lives and works in New York and the other in Madrid, while the protector lives and is taxable in Italy.

The protector is a lawyer in Italy.

Everything was established at the beginning of 2022 and the scenario covers the creation of tax reports for the period ending 31<sup>st</sup> December 2022.

### Setting up the administered entities

After all due diligence is done, the following entities have been created and approved.

1. The Maxton Group
2. The Maxton Trust
3. Maxton Investments Limited
4. Maxton Electricals Limited

The Maxton Group is both the parent & reporting group of the other three entities.

### Setting up the connected parties

After all due diligence has been done, the following 'Person' entities have been created.

1. Roger Maxton
2. Charles Maxton
3. Diana Blake (nee Maxton)
4. Luigi del Firenze

The Maxton Group is both the parent & reporting group of the three Maxtons while Luigi is enrolled in the Lawyers group as parent and reporting groups as well as being a member of The Maxton Group.

### Creating all relevant relationships

Relationships are set up as follows.

The Maxton Trust	is Owner of	Maxton Investments Limited	100%
The Maxton Trust	is Owner of	Maxton Electricals Limited	50%
Roger Maxton	is Owner of	Maxton Electricals Limited	50%
Roger Maxton	is Settlor of	The Maxton Trust	
Charles Maxton	is Beneficiary of	The Maxton Trust	
Daina Blake	is Beneficiary of	The Maxton Trust	
Luigi del Firenze	is Protector of	The Maxton Trust	

After setup the relationships for The Maxton Trust, for example, would be as follows.

The screenshot shows a web application interface for 'The Maxton Trust'. At the top, there are navigation icons and a search bar. Below that, there are filters: 'Show implicit relations' (checked), 'Show expired' (unchecked), 'Sort by' (Relationship type), and 'Relationship type' (Show all). The main content is a table with columns: Entity 1, Relation, Entity 2, Start Date, End Date, Percentage, Risk, and Comment. The table lists several relationships:

Entity 1	Relation	Entity 2	Start Date	End Date	Percentage	Risk	Comment
Diana Blake	is beneficiary of	The Maxton Trust	02/01/2022				
Charles Maxton	is beneficiary of	The Maxton Trust	02/02/2022				
The Maxton Trust	is beneficial owner of	Maxton Investments Limited	02/01/2022		100%		
The Maxton Trust	is beneficial owner of	Maxton Electricals Limited	02/01/2022		50%		
Luigi Del Firenze	is protector of	The Maxton Trust	02/01/2022				
Roger Maxton	is settlor of	The Maxton Trust	02/01/2022				

### Creating the tax categories for the administered entities

The three administered entities tax categories are set up as follows.

Entity	CRS Status	FATCA Category	FATCA Subcategory
The Maxton Trust	Reporting FI	Model 1 Reporting FI	Trustee Documented Trust
Maxton Investments Limited	Active NFFE	Active NFFE	Active NFFE
Maxton Electricals Limited	Passive NFFE	Passive NFFE	Passive NFFE

### Creating all appropriate tax obligation records

As the three administered entities are all Jersey structures and not liable for Jersey tax, only the individuals have tax obligations as follows.

Roger Maxton	765234199	United Kingdom	02/01/22
Roger Maxton	654-177851-CV-876	United States	02/01/22
Luigi del Firenze	FIRLUI48L15M1234	Italy	02/01/22
Daina Blake	411-217898-RW-212	United States	02/01/22
Charles Maxton	M1765488L	Spain	02/01/22

### Recording addresses

All addresses have been set up correctly for all entities concerned.

### Set up Bank Accounts

Bank accounts were set up for each of the administered entities.

### Creating the bookkeeping for the administered entities

The trust was set up with £2m settled on 2/1/22.

It transferred £1.5m by loan to Maxton Investments 2/1/22.

It transferred £300,000 to Maxton Electricals on 2/1/22.

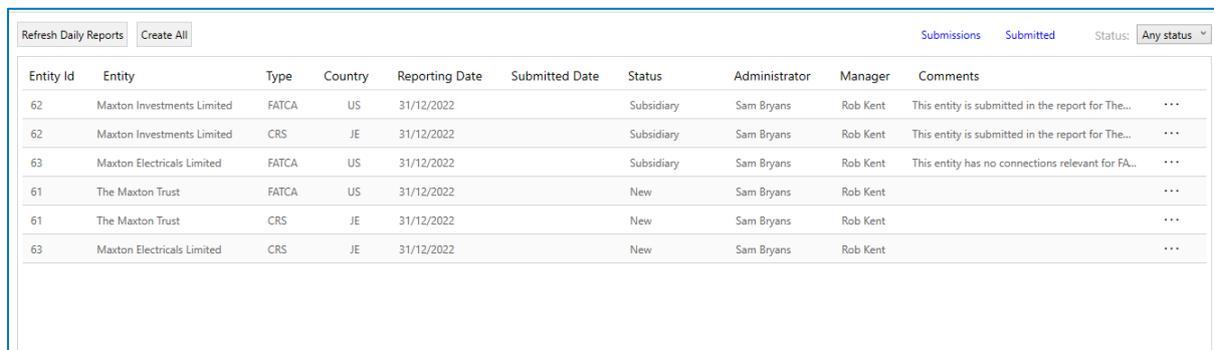
It made distributions of £10,000 to the children on 29/3/22.

Maxton Electricals paid a dividend of £1,250 each to Roger and The Maxton Trust on 15/10/22.

## Creating the tax report records for Maxton

When the report record refresh button is clicked, the following is produced.

(Note this screen is an older version)



Entity Id	Entity	Type	Country	Reporting Date	Submitted Date	Status	Administrator	Manager	Comments
62	Maxton Investments Limited	FATCA	US	31/12/2022		Subsidiary	Sam Bryans	Rob Kent	This entity is submitted in the report for The... ⋮
62	Maxton Investments Limited	CRS	JE	31/12/2022		Subsidiary	Sam Bryans	Rob Kent	This entity is submitted in the report for The... ⋮
63	Maxton Electricals Limited	FATCA	US	31/12/2022		Subsidiary	Sam Bryans	Rob Kent	This entity has no connections relevant for FA... ⋮
61	The Maxton Trust	FATCA	US	31/12/2022		New	Sam Bryans	Rob Kent	⋮
61	The Maxton Trust	CRS	JE	31/12/2022		New	Sam Bryans	Rob Kent	⋮
63	Maxton Electricals Limited	CRS	JE	31/12/2022		New	Sam Bryans	Rob Kent	⋮

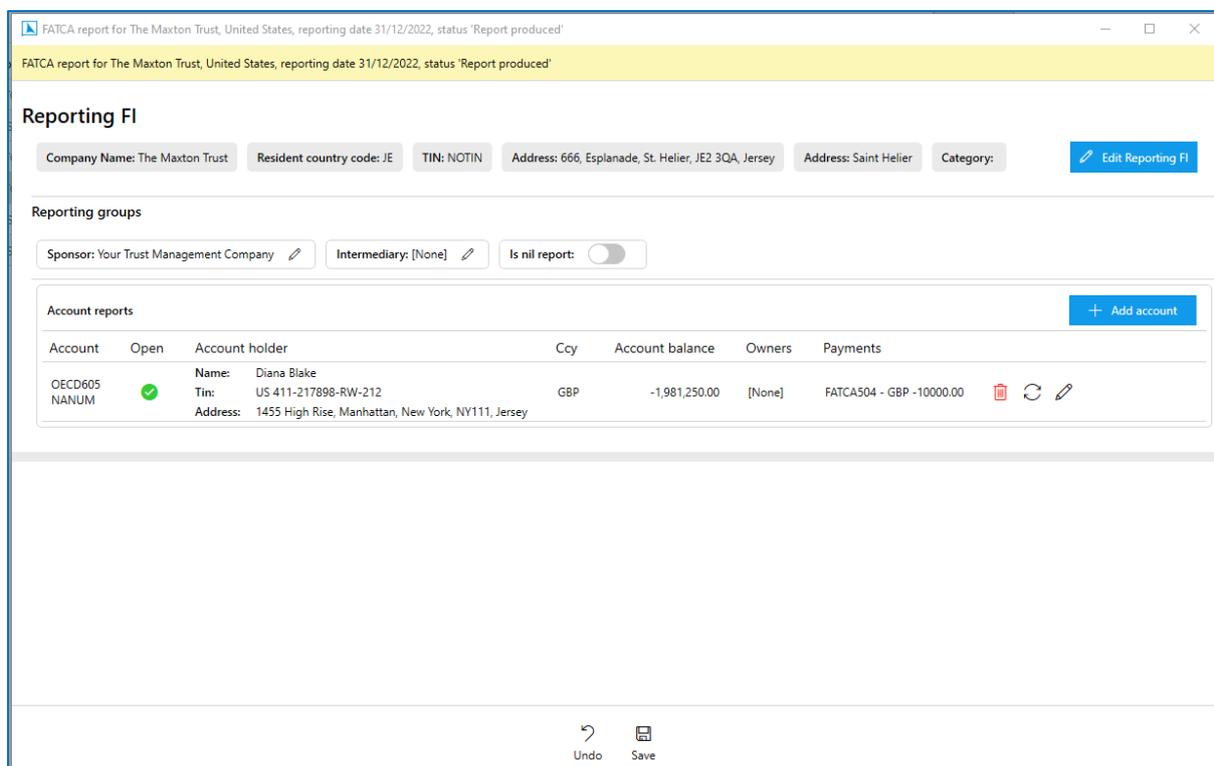
Note that two records, one FATCA and one CRS, have been produced for each administered entity.

Also note that as Maxton Investments is wholly owned by The Maxton Trust, it will not produce its own report as the assets are already covered by The Maxwell Trust.

Also note that the FATCA report for Maxton Electricals is also suppressed as there are no US connections.

## FATCA report for The Maxton Trust

Triggering the FATCA report creates the following.



FATCA report for The Maxton Trust, United States, reporting date 31/12/2022, status 'Report produced'

Reporting FI

Company Name: The Maxton Trust Resident country code: JE TIN: NOTIN Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey Address: Saint Helier Category: Edit Reporting FI

Reporting groups

Sponsor: Your Trust Management Company Intermediary: [None] Is nil report:

Account reports

Account	Open	Account holder	Ccy	Account balance	Owners	Payments
OECD605 NANUM	<input checked="" type="checkbox"/>	Name: Diana Blake Tin: US 411-217898-RW-212 Address: 1455 High Rise, Manhattan, New York, NY111, Jersey	GBP	-1,981,250.00	[None]	FATCA504 - GBP -10000.00   

Undo Save

Note that there is a sponsor for the trust and that the only relevant account holder is Diana who has received a payment of USD 10,000.

## CRS report for The Maxton Trust

The equivalent CRS report is as follows.

CRS report for The Maxton Trust, Jersey, reporting date 31/12/2022, status 'Report produced'

CRS report for The Maxton Trust, Jersey, reporting date 31/12/2022, status 'Report produced'

### Reporting FI

Company Name: The Maxton Trust   Resident country code: JE   TIN: NOTIN   Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey   Address: Saint Helier   Category:

[Edit Reporting FI](#)

#### Reporting groups

Sponsor: [None] [✎](#)

Intermediary: [None] [✎](#)

Is nil report:

#### Account reports

[+ Add account](#)

Account	Open	Account holder	Ccy	Account balance	Owners	Payments	
OECD605 NANUM	✔	Name: Roger Maxton Tin: GB 765234199 Address: 30 Bishops Lane, Sopwith Atherton, Ipswich, Essex, ES1 7ES, United Kingdom	GBP	-1,981,250.00	[None]	[No payments]	<a href="#" style="color: #dc3545;">✖</a> <a href="#" style="color: #007bff;">↻</a> <a href="#" style="color: #007bff;">✎</a>
OECD605 NANUM	✔	Name: Charles Maxton Tin: ES M1765488L Address: Apartemente 9, Ruelle Porte, Madrid, S123, Jersey	GBP	-1,981,250.00	[None]	CRS504 - GBP -10000.00	<a href="#" style="color: #dc3545;">✖</a> <a href="#" style="color: #007bff;">↻</a> <a href="#" style="color: #007bff;">✎</a>
OECD605 NANUM	✔	Name: Luigi Del Firenze Tin: IT FIRLU48L15M1234 Address: 12 Napoli Boulevard, Roma, 156ROMA, Jersey	GBP	-1,981,250.00	[None]	[No payments]	<a href="#" style="color: #dc3545;">✖</a> <a href="#" style="color: #007bff;">↻</a> <a href="#" style="color: #007bff;">✎</a>

↶ Undo   💾 Save

Note that accounts are reported for Roger (UK), Charles (Spain) and Luigi (Italy) but only Charles has received payments from the trust.

## CRS report for Maxton Electricals Limited

CRS report for Maxton Electricals Limited, Jersey, reporting date 31/12/2022, status 'Report produced'

CRS report for Maxton Electricals Limited, Jersey, reporting date 31/12/2022, status 'Report produced'

### Reporting FI

Company Name: Maxton Electricals Limited   Resident country code: JE   TIN: NOTIN   Address: 666, Esplanade, St. Helier, JE2 3QA, Jersey   Address: Saint Helier   Category:

[Edit Reporting FI](#)

#### Reporting groups

Sponsor: [None] [✎](#)

Intermediary: [None] [✎](#)

Is nil report:

#### Account reports

[+ Add account](#)

Account	Open	Account holder	Ccy	Account balance	Owners	Payments	
OECD605 NANUM	✔	Name: Roger Maxton Tin: GB 765234199 Address: 30 Bishops Lane, Sopwith Atherton, Ipswich, Essex, ES1 7ES, United Kingdom	GBP	-297,500.00	[None]	CRS501 - GBP -1250.00	<a href="#" style="color: #dc3545;">✖</a> <a href="#" style="color: #007bff;">↻</a> <a href="#" style="color: #007bff;">✎</a>

↶ Undo   💾 Save

Note that as Roger is reported as the only taxable person as Account Holder and the receipt of his dividend recorded as a payment.

The reports will now go through the standard approval process to create & submit the XML report files.