

Alphacat Release Notes

Version 17.0



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Introduction

Welcome to the version 17.0 edition of Alphacat.

This release includes the following features:

- Support for the latest list of reporting jurisdictions under CRS
- Jurisdiction specific submission changes such as for Isle of Man and Cayman Islands
- Minor enhancements and changes to resolve customer issues

If you require help or further information, please contact the support team on:		
UK:	Tel: +44(0) 1784 777 666	Email: support@taxsystems.com
Ireland:	Tel: +353 (0) 1661 9976	Email: support@taxsystems.ie

Important notices

Installation

Installation key

Your 16 digit Alphacat installation key is provided in the email that you were sent announcing the release. The Alphacat installation key is required to both download and install Alphacat.

If you are unable to locate the email containing your 16 digit Alphacat installation key, please contact the support team on 01784 777666 or email support@taxsystems.com.

Downloading and installing Alphacat

Please download the copy of Alphacat from the releases download site <https://releases.taxcomputersystems.com>, which will require you to enter your email address and your 16 digit Alphacat installation key.

This process will generate an automated email with a unique URL, which will be sent to your email address.

The URL will allow you to download the Alphacat installer along with other applications that you are registered to use, as well as the installation guides and release notes.

Click on '**Alphacat v17.0.exe**' to initiate the installation process for which the Alphacat installation key will again be required. Press the **Enter** key at the prompts.

The installation process will override the old version of Alphacat. For detailed information on the installation process, please refer to the *Alphacat Installation Guide for either Alphacat Professional or Alphacat Enterprise*. These can be retrieved from the user documentation section, of the download screen.

Enterprise users, using the Oracle or MSSQL databases, should also run the database update script from within the Enterprise Manager utility. The database version is now 35.

The Enterprise Manager is automatically extracted from within the Alphacat Installer package.

For detailed information on how to run the database update script, please refer to the *Alphacat Enterprise Administration Guide*. This can be retrieved from the user documentation section of the download screen.

Templates

The installation will reinstall the standard Alphacat templates to ensure that you have the latest version.

Please Note: This part of the process may take some time. A progress bar displays the template names as they are being copied.

If you have created your own versions of these templates, they will now be stored in a new folder called BACKUPCn (where n is a number incremented for each new installation) and you may access them from this folder, once the installation is complete.

Folders called BACKUPCn created in the version 16.4 release, are removed with this release.

Alphacat platform support

Operating Systems

Alphacat is supported on Windows 7 and later operating systems.

SQL Server

Alphacat Enterprise is supported on SQL Server 2008 and later versions.

CRS Countries

Phased introduction

The Common Reporting Standard, is a standard for the exchange of tax and financial information between countries across the globe. Different countries have signed up to this standard from different reportable periods.

A group of 49 early adopter countries (commonly referred to as "phase 1") first reported details of accounts for the calendar year 2016. These submissions were due in September 2017.

For submissions of accounts for the calendar year 2017, a secondary wave of 53 new countries has joined CRS ("phase 2"). Reporting is required by 31st May 2018.

Three further countries are signed up to report in 2019 or 2020 and beyond that 41 countries are signed up to participate, but have not yet announced a date for their first submissions.

Full details of the countries included in the appropriate phases, is included in the Appendix on page 12.

In this edition of Alphacat we have added full support for reporting phase 2 CRS countries and beyond. We have also made changes to simplify the structure of the report statements produced for CRS submissions.

Reportable countries

For 2017 submissions, account holders resident in 'phase 2' jurisdictions will now automatically be returned as *reportable* both in report mode and in the XML submission. The treatment will now be the same as the existing phase 1 countries.

Applications dates held by Alphacat have been updated such that account holders resident in Albania, the Maldives, and Nigeria will become reportable from 2019 or 2020, as appropriate.

We have included in Alphacat the list of 41 additional countries that have signed up to the common reporting standard, but have not yet set a date for first reporting. Accounts for these countries will now be returned as **Account holders resident in participating jurisdictions which are not yet reportable jurisdictions** on the relevant *not reportable* report statement. As a result of being resident in non-participating jurisdictions, accounts for the remaining countries of the world will continue to be reported as not reportable.

Finally, we have added table rate controls for these 41 countries so that we will be able to include the appropriate commencement data in the future. This may be via an update to the TCSLEX.TBL file, without the need for a full release.

Report mode structure

In previous editions, Alphacat returned the number of reportable accounts for CRS submissions on separate report statements for each jurisdiction. Whilst providing a potentially useful reconciliation, this approach could lead to a large number of report statements appearing in the contents tree. General feedback we received from users, was that this level of detail was not required. We have therefore taken steps to address this for 2017 CRS submissions onwards.

CRS reportable accounts will now be returned on a single *CRS reportable* report statement in the relevant sections of the contents tree. This has the effect of returning the same information, but in a more summarised format and brings the computation structure more into line with any equivalent FATCA submission for the reporting financial institution.

The structure of the input statements is unchanged.

XML creation process

INType attribute

The UK AEOI V2.0 XML schema includes an identification number (IN) element that is applied to each account holder that is an organisation. One of the attributes for this element is the INType, and the value for this must be selected from an enumerated list:

- GIIN – Global intermediary Identification Number
- EIN – Global Entity Identification Number
- TIN – Tax Identification Number
- CRN – Company Registration Number
- Other – Other Identification Number

Alphacat provides an **IN type** field against the identification number for accounts for each jurisdiction. The INType is not mandatory in the schema and so this field may be left blank.

In previous editions for FATCA submissions where the INType was left blank, Alphacat was still including the INType attribute in the XML and this would lead to a validation error when creating the XML submission.

We have now corrected this so that the INType attribute will be omitted from the IN element, where the **IN type** has not been entered.

CRS submissions were not affected by this error.

Corrections without amended accounts

When the details for a reporting FI needed correcting without any amendments to the reported accounts, the *Create XML* option was previously greyed out. We have now enabled the *Create XML* option when the **Type of report to be submitted** input on the *Submitter details* input statement is populated.

Miscellaneous changes

FATCA reportable accounts with no TIN

The IRS recently issued Notice 2017-46 which amends the treatment of reporting accounts under FATCA, where a taxpayer identification number (TIN) cannot be obtained. Previously, failure to report a TIN was regarded as "significant non-compliance".

Under the new provisions, this will not be the case provided that the reporting FI complies with three obligations:

1. Obtains and reports the date of birth of each account holder whose TIN is not reported,
2. Requests annually from each account holder any missing TINs, and
3. Before reporting information relating to 2017, searches electronically searchable data for any missing TINs.

These procedures apply to submissions for calendar years 2017, 2018, and 2019.

Please refer to HMRC manual [IEIM402040](#) for further details on reporting the TIN, and the provisions referred to above.

We have made two amendments in respect of these provisions in this edition of Alphacat:

Reported TIN

The TIN is a mandatory element in the FATCA XML schema for each account holder. Previously where no TIN had been obtained, the guidance from the IRS was to report the TIN as "000000000". New guidance has been issued advising that the TIN should now be reported as "AAAAAAAA", if it has not been obtained.

We have therefore updated our XML creation process and our *US reportable accounts* report statements to reflect this treatment, for FATCA submissions relating to the calendar years 2017, 2018 and 2019.

Date of birth diagnostics for account holders with no TIN

As referred to in the first obligation listed above, reportable FIs are now required to report the date of birth of any account holders for which a TIN has not been obtained.

We have therefore extended the display rules of the existing "Date of birth is required" diagnostics for FATCA submissions, to advise where the **No TIN** input has been set to Yes without a **Date of birth** having been entered or if the **Date of birth** entered is invalid (i.e. before 1 January 1900 or after the end of the current period). This latter diagnostic will appear for all inputs of **Date of birth**, for individuals across the application.

The **Date of birth** field appears in the accessory statement only by default, but may be added to the face of the accounts statements via the **Display date and place of birth inputs on the main statement (in addition to the accessory)** flag on the *Configuration options* input statement. In which case, any resultant diagnostics will refer the user to the input statement, rather than the accessory statement.

Approved FATCA registered FII list

The IRS publishes a monthly list of all foreign financial institutions and branches with approved FATCA registration.

This list of valid GIINs is held in the *tcslex.ffi* file in Alphacat and **Global Intermediary Identification Number (GIIN)** entries, made on either the *Submitted details* or *Financial institution details* input statements, are validated against this list.

Diagnostics are displayed where a GIIN entered does not appear on the list, or where the name of the institution entered in Alphacat does not match the name for that GIIN on the IRS list. This edition of Alphacat has been updated to include the list as of January 2018.

Page breaks

We have reviewed the treatment of page break controls in our report statements to resolve an issue whereby, in some situations, a blank page was being printed before the account holder information in certain sections of our report statements.

Pre-existing individual accounts

We have examined the treatment of Pre-existing individual accounts for review purposes. All phase 1 financial institutions should have reviewed their *High value* and *Low value* pre-existing individual accounts by the 31 December 2017.

For periods starting on or after 1 January 2018, all pre-existing individual accounts will default to have been reviewed and so will then be reportable depending on the accounts holder's jurisdiction.

Pre-existing entities have remained unchanged as the deadline for reviewing the account, depends on if the **Election to apply thresholds** has been made. If so, then pre-existing entities will need reviewing once they exceed the \$250,000 limit at the end of the year. The review must then be completed by the end of the next calendar year.

We have updated the spot rates used in this edition of Alphacat for the rates as of 31 December 2017, so that the \$250,000 threshold is correctly translated into the relevant currency.

A display issue has also been addressed on the *Entity accounts to be reviewed next year* report statement, which was not displaying the equivalent Sterling amount in report mode.

Date account closed diagnostics

The date an account was closed may be imported or entered, as before or after the current period end. There was an existing diagnostic where the date an account was closed was after the period end.

We have now added a similar diagnostic where the account was closed prior to the reporting period, in which case the account will not be reportable and should be removed from the period.

Sponsoring DocRefIds

DocRefIds within a FATCA submission must follow a specific format, which differs for certain elements within the schema. *Sponsor* and *Intermediary* details for example must include specific "SP" and "IN" references respectively.

In the previous edition of Alphacat there was an error in the code that produces this ID for sponsoring financial institutions, where a nil return was being made. This error has now been corrected.

Jurisdiction specific changes

Cayman Islands

Person type

For *Entity accounts with reportable controlling persons*, the controlling **Person type** field is an optional field in the CRS schema. However, the Cayman Island tax authorities reject submissions where this field is not completed.

For this edition of Alphacat, we have added a new diagnostic for Cayman Island submissions to advise where there is a CRS reportable controlling person and the **Person type** field has not been completed.

Passive NFE

For *Entity accounts with reportable controlling persons*, where the entity is a passive NFE, the ResCountryCode element for the entity is optional in the CRS schema, but again Cayman Island authorities require this field to be completed.

We have extended the display rule for our existing *Jurisdiction of residence required* diagnostic ID 50114 to now appear in this situation, advising that a **Jurisdiction of residence** must be entered for the entity.

Guernsey

Person type

The same changes have been made for Guernsey as described above for the Cayman Islands.

Isle of Man

DocRefIds

The Isle of Man tax authority has published guidance which requires that DocRefIds within the submission must differ from the normal rules for OECD CRS submissions. We have therefore updated our DocRefIds to appear in the correct format for Isle of Man submissions under CRS.

The Isle of Man [guidance](#) specifies two acceptable approaches and Alphacat follows the first, which is for the DocRefIds to follow the same format as prescribed by the US for FATCA submissions.

The DocRefId will now be made up of the reporting FI's GIIN, followed by a full stop, followed by a unique character combination. DocRefIds for regular submissions under CRS are prefixed by the year of the submission and do not include the full stop after the GIIN.

Appendix

AEOI Status of commitments

The tables below, summarises the intended implementation timelines of various countries under the common reporting standard.

These tables have been replicated from the OECD [website](#).

Committed to first exchange in 2017

 Anguilla	 Argentina	 Belgium	 Bermuda	 British Virgin Islands
 Bulgaria	 Cayman Islands	 Colombia	 Croatia	 Cyprus
 Czech Republic	 Denmark	 Estonia	 Faroe Islands	 Finland
 France	 Germany	 Gibraltar	 Greece	 Guernsey
 Hungary	 Iceland	 India	 Ireland	 Isle of Man
 Italy	 Jersey	 Korea	 Latvia	 Liechtenstein
 Lithuania	 Luxembourg	 Malta	 Mexico	 Montserrat

 Netherlands	 Norway	 Poland	 Portugal	 Romania
 San Marino	 Seychelles	 Slovak Republic	 Slovenia	 South Africa
 Spain	 Sweden	 Turks and Caicos Islands	 United Kingdom	

Committed to first exchange in 2018

 Andorra	 Antigua y Barbuda	 Aruba	 Australia	 Austria
 Azerbaijan	 Bahamas	 Bahrain	 Barbados	 Belize
 Brazil	 Brunei Darussalam	 Canada	 Chile	 China
 Cook Islands	 Costa Rica	 Curaçao	 Dominica	 Ghana
 Greenland	 Grenada	 Hong Kong (China)	 Indonesia	 Israel

 Japan	 Kuwait	 Lebanon	 Marshall Islands	 Macao (China)
 Malaysia	 Mauritius	 Monaco	 Nauru	 New Zealand
 Niue	 Pakistan	 Panama	 Qatar	 Russian Federation
 Saint Kitts and Nevis	 Samoa	 Saint Lucia	 Saint Vincent and the Grenadines	 Saudi Arabia
 Singapore	 Sint Maarten	 Switzerland	 Trinidad and Tobago	 Turkey
 United Arab Emirates	 Uruguay	 Vanuatu		

Committed to first exchange in 2019/2020

 Albania (2020)	 Maldives (2020)	 Nigeria (2019)		
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Participating but no date set for first exchange

 Armenia	 Benin	 Botswana	 Burkina Faso	 Cambodia
 Cameroon	 Chad	 Côte d'Ivoire	 Djibouti	 Dominican Republic
 Ecuador	 Egypt	 El Salvador	 Former Yugoslav Republic of Macedonia	 Gabon
 Georgia	 Guatemala	 Guyana	 Haiti	 Jamaica
 Kazakhstan	 Kenya	 Lesotho	 Liberia	 Madagascar
 Mauritania	 Moldova	 Morocco	 Niger	 Papua New Guinea
 Paraguay	 Peru	 Philippines	 Rwanda	 Senegal
 Tanzania	 Thailand	 Togo	 Tunisia	 Uganda

 Ukraine				
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