

Tax Solutions: Transaction Taxes

Streamlining compliance for Transaction Taxes

S&P Global Market Intelligence's solution assists financial institutions by simplifying and centralizing their compliance obligations for transaction taxes.

Financial institutions engaging in trade execution and settlement in major global markets will be required to manage compliance for a variety of transaction taxes. The main transaction taxes in Europe include the French and Italian Financial Transaction Tax (FTT) and UK Stamp Duty. In the US market there has been attention on compliance with Section 871(m) and 305(c). To operationalize compliance, financial institutions need to screen transactions to determine if they are in scope of these regulations, calculate the transaction tax and report information where required.

There are a series of challenges associated with operationalizing compliance. This ranges from managing differing rule sets across multiple regimes, the ability to handle large volumes of transaction data for screening and processing, and the cost of building an operationally compliant function.

S&P Global Market Intelligence has leveraged its tax and compliance expertise to develop a centralized solution for transaction taxes. Users can feed in transactional data and tax inputs across multiple tax regimes, with screening results, withholding tax rates and reporting attributes being produced as an output, where required.

Accuracy

Consolidation of transaction processing rules to a central tool ensures consistency across the organization. Regulatory changes are monitored by S&P Global Market Intelligence who will be responsible for updating the rules engine.

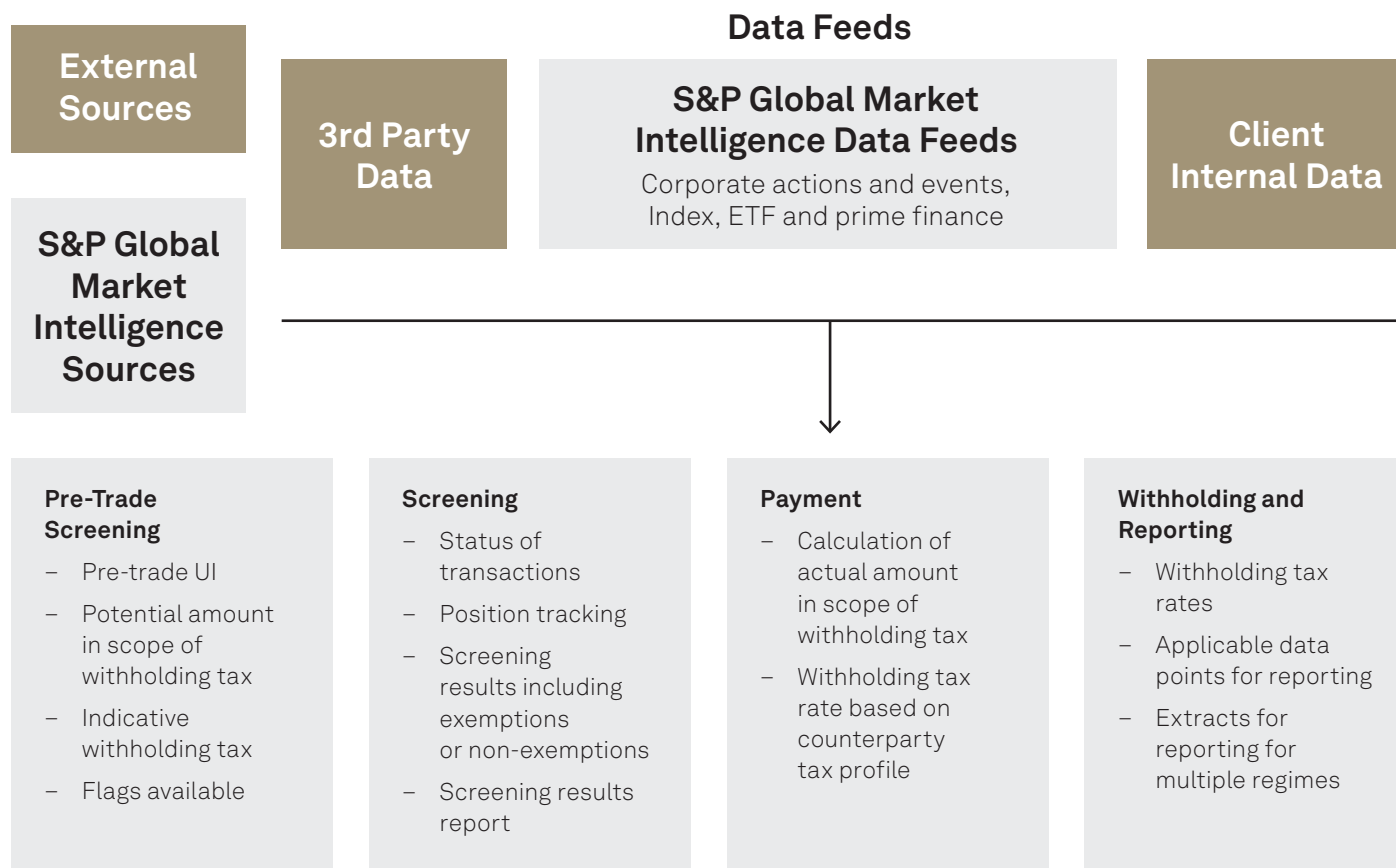
Cost Savings

Multiple systems can interface with the tool, removing the need to make costly enhancements and modifications to legacy systems.

Scalability

Multiple regimes can be accommodated; and the transaction processing engine that can easily be adapted to different types of transactional taxes and centralized processing enhances performance and limits the number of interfaces to maintain.

S&P Global Market Intelligence's solution for Transaction Taxes



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