

Factsheet

Maximizing performance by minimizing withholding tax leakage?

Improve investment performance and back-office operational efficiency by outsourcing foreign withholding tax (WHT) recovery.

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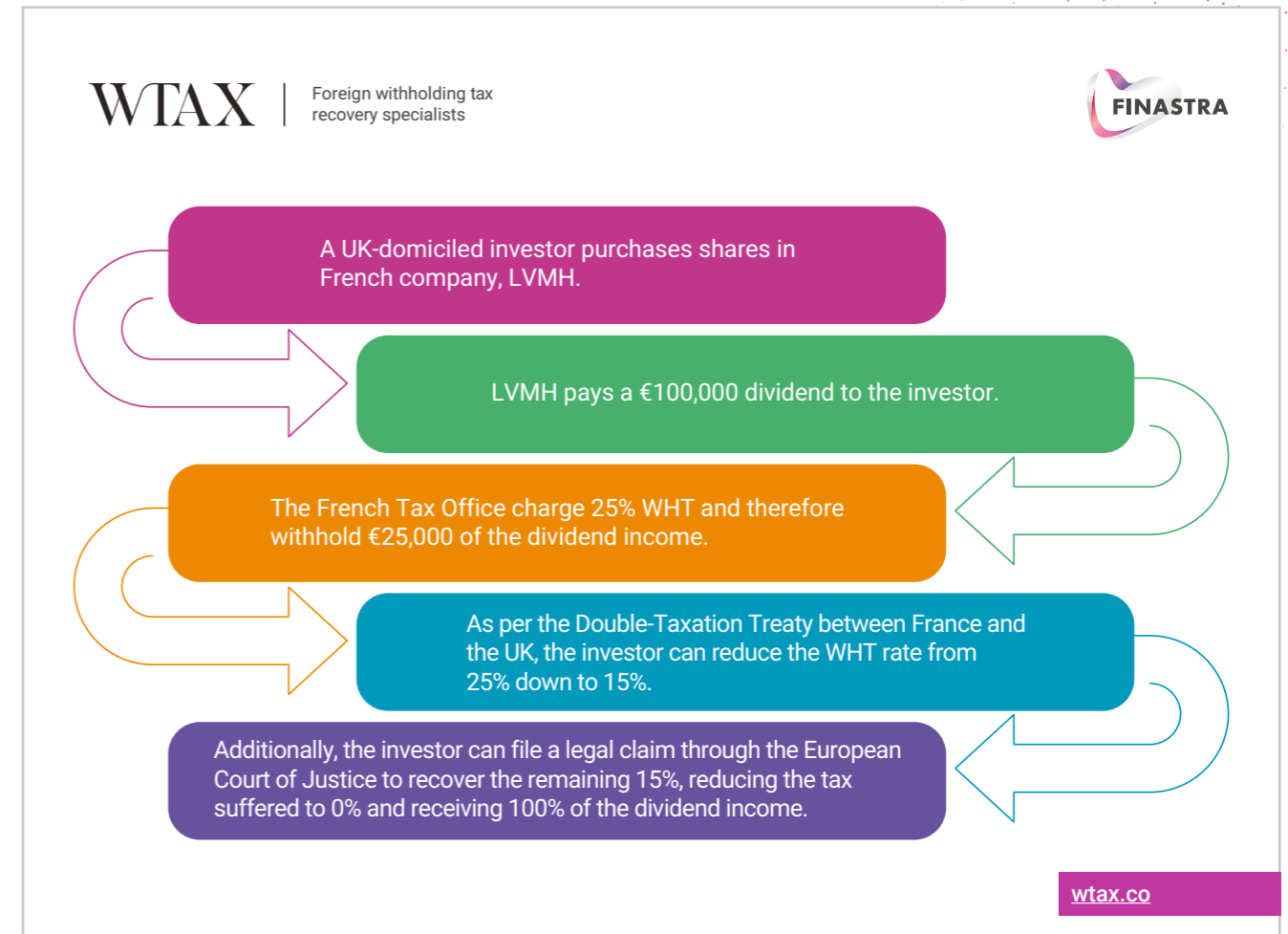
By outsourcing the withholding tax recovery process, asset managers are freed up from the onerous and complex administrative process involved in reclaiming tax across multiple jurisdictions for clients. Since WTax operates on a 'no win, no fee' model, it only charges on the basis of successful reclaims, delivering value to asset managers and end customers alike.

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The combination of Finastra's Fusion Invest solution with WTax's expert services provides a compelling offering, by alleviating time consuming and complex processes to reclaim tax across multiple jurisdictions.

What is foreign WHT and how is it recovered?



What is the impact for investors?

- On average, 30% of foreign investment income is withheld.
- According to the European Commission, the estimated cost of unclaimed WHT recoveries is €8.4 billion per year in the EU alone.
- Without support, it can take investors upwards of 3 years to make recoveries if at all.
- With support, investors can improve their investment performance by upwards of 5bps per year.
- The statute of limitations allows investors to recover up to 5 years retrospectively.

What are the common challenges with existing processes?

- Difficulties in obtaining and completing supporting documentation.
- Tax-office queries and rejections.
- Lack of knowledge of the complexities of WHT.
- Requirement to fill-in documents in multiple languages.
- Minimum claim submission values.
- Lack of infrastructure and fiscal representation in foreign markets.

Why does it make sense to outsource to WTax leveraging Finastra Fusion Invest?

- Seamless extraction of relevant data from Fusion Invest, readily available for WTax analysis.
- All administration is fully outsourced, including documentation creation, claim preparation and dealing with tax office queries.
- WTax performs an investor tax rate eligibility assessment on the investors behalf, ensuring the correct tax rate entitlement in all investment jurisdictions.
- Tax-experts on the ground in over 40 locations and perennial relationships with tax authorities.
- Proprietary technology automates much of the recovery process and provides sophisticated and transparent reporting.
- Application of the optimal mix of reclaim methodologies.
- A dedicated service team constantly monitoring reclaim status and communicating progress with the investor.
- Contingency-based, no-reclaim no-fee model, which guarantees a net-gain position.

The bottom line

The partnership between Fusion Invest and WTax enables Fusion Invest users to extract the valuable data necessary to assess their complete withholding tax position. It empowers asset managers to evaluate how much tax reclaim they are eligible for and their ability to process it.

Every year investors are foregoing billions in dividend income due to the inherent difficulties of foreign WHT recovery. By utilising an outsourced service, you can improve investment performance whilst alleviating unnecessary administration, all without incurring any up-front costs.



Click here to know more

<https://www.finastra.com/solutions/investment-management>

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Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at [finastra.com](https://www.finastra.com)

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