

# ARIS GOVERNANCE, RISK AND COMPLIANCE MANAGEMENT FOR FATCA



## Comply with confidence and manage risks

Protect your business from the potentially devastating risks of noncompliance with the Foreign Account Tax Compliance Act (FATCA) while reducing your costs in a very big way. One company estimates saving €2.5 million annually by using ARIS Risk & Compliance Manager, taking a process-focused approach to efficient Governance, Risk & Compliance (GRC). Use ARIS to implement and efficiently operate an enterprise-wide compliance and risk management system.

### About FATCA

The FATCA act has a significant impact on most financial and non-financial institutions. While it is designed to combat individual tax avoidance, most of the compliance burden falls on the foreign financial institutions.

Compliance with FATCA may be complex. It requires a cross-functional approach. In fact, several functions including tax, IT, legal, front office and compliance need to collaborate in order to ensure compliance.

FATCA rules are wide ranging and require global financial institutions, investment entities and insurance companies to report details on their U.S. clients directly to the Internal Revenue Service (IRS).

### FATCA's main provisions

#### Increase due diligence

To enter into agreement with the IRS, FATCA requires foreign financial institutions to identify their U.S. account holders and investors, and disclose their names, Tax Identification Numbers (TIN), addresses, account balances receipts and withdrawals.

#### Increase reporting

U.S. citizens owning foreign accounts or other specified financial assets must report them on a new Form 8938, which is filed with the person's U.S. tax returns if they are generally worth more than \$50,000.

#### Close a tax loophole

Foreign investors avoid paying taxes on U.S. dividends by converting them into "dividend equivalents" through the use of swap contracts. FATCA will ensure that this tax loophole is closed.

## ARIS offers a straightforward solution that works

Software AG's ARIS GRC Platform transforms you into a true Digital Enterprise. You'll work smarter, reduce risk and remain efficient. GRC is a process as much as it is a platform. All risk management and compliance topics are executed in an integrated central ARIS repository for maximum control, transparency, simplicity and efficiency. We leverage your existing IT investments to lower your total cost and offer integrated products to speed implementation.

GRC IN THE REAL WORLD:  
**W&W AG**  
 Insurance, savings and loan



**SAVES €2.5  
 MILLION  
 ANNUALLY**



**ROI: 153%**

## Key benefits

- Take a process-focused approach to GRC management
- Manage compliance activities comprehensively, from testing to external audit
- Efficiently analyze and evaluate compliance and operational risks
- Identify risk-relevant processes and affected line items
- Identify shortcomings in your Internal Control System (ICS)
- Automatically escalate issues for resolution
- Prepare, plan, execute and report on your company's audits
- Update management via an up-to-the-minute graphical dashboard
- Design, implement and document controls, tests and risk assessments
- Monitor and re-test improvements in the shortest possible time

## Features

**Process design:** Model your process and define risks, controls and responsibilities. Document all your compliance processes, systems and controls in ARIS central repository. Moreover, ARIS GRC enables you to simulate risks and controls across the process chains.

**Survey management:** Use surveys to help audit suppliers, analyze business impact and more. Complete surveys online or offline. You can use the survey management workflow with clearly defined roles—for example, survey managers and interviewees—as well as automated email notification. ARIS Risk & Compliance Manager offers various question-and-answer combinations, predefined scores, as well as periodic and one-time surveys.

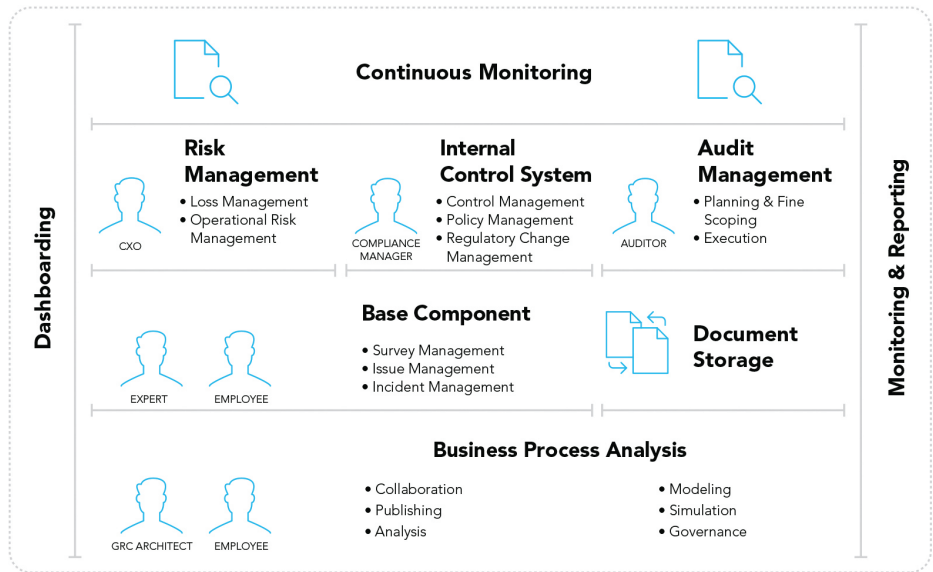
**Control testing:** Document your control execution and test the implemented controls of your ICS regularly for effectiveness using an automated testing workflow with clearly assigned roles. Whenever the software detects

a test wasn't conducted as scheduled or controls are ineffective, it triggers a process to alert the responsible parties to take action. Use the issue management workflow to initiate improvements.

**Issue management:** Create issues for identified problems and weaknesses in the ICS so that improvements can be initiated. Communicate and resolve problem situations promptly. Action tracking with ARIS Risk & Compliance Manager ensures that every defined activity is followed through. Every issue is documented from creation to completion.

**Improve monitoring and reporting:** Continuously monitor FATCA compliance status using mobile and desktop dashboards. Using a complex event processing engine results in full integration of operational business processes and GRC management. Real-time response enables you to realize both detective and preventive GRC management. You can automate tasks to increase productivity.

Find out more on how to comply with FATCA: [Fatca@softwareag.com](mailto:Fatca@softwareag.com).



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## ABOUT SOFTWARE AG

The digital transformation is changing enterprise IT landscapes from inflexible application silos to modern software platform-driven IT architectures which deliver the openness, speed and agility needed to enable the digital real-time enterprise. Software AG offers the first end-to-end Digital Business Platform, based on open standards, with integration, process management, in-memory data, adaptive application development, real-time analytics and enterprise architecture management as core building blocks. The modular platform allows users to develop the next generation of application systems to build their digital future, today. With over 45 years of customer-centric innovation, Software AG is ranked as a leader in many innovative and digital technology categories. Learn more at [www.SoftwareAG.com](http://www.SoftwareAG.com).

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