

ESP: To Automation and Beyond

At last year's Sibos we demonstrated the strides GlobeTax was making in automating tax reclaim processes. Central to this strategy has been ESP, our proprietary **e**lectronic **s**ubmission **p**ortal. The financial services industry has been quick to understand – and take advantage of – the expanded capabilities ESP provides, allowing them to service their clients more effectively.

ESP is a web-based interface to GlobeTax's global document management, tax rate and tax rules system that publishes cross border withholding tax rules (at market and corporate actions event level). As events occur, ESP opens processing windows for financial institutions in multiple layers of the custody chain to file tax reclaims for their clients, which we then process on their behalf.

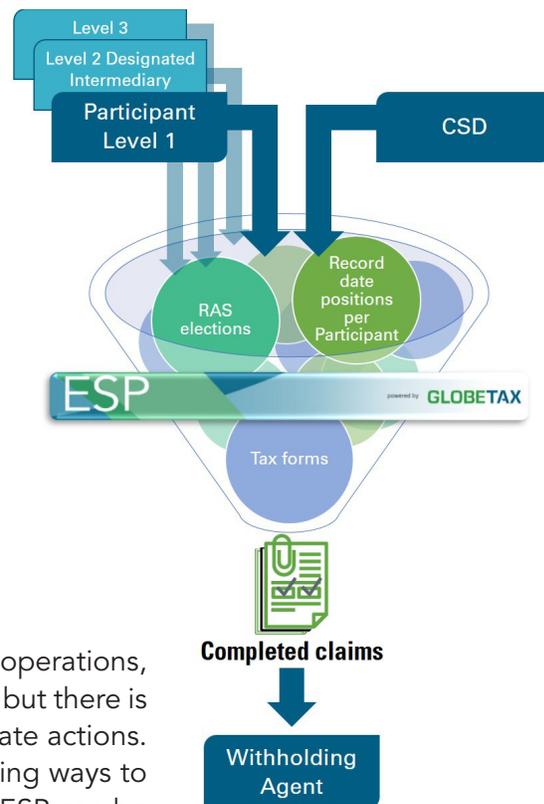
For CSDs, ESP's ability to handle omnibus and segregated accounts, blended tax rates, and reporting, have meant that GlobeTax's core service of tax reclaim processing has been enhanced with relief at source.

Since last Sibos, we have been working to establish ESP as the tool of choice for withholding agents to receive claims from the market and provide efficient tax services to their network counterparties. One important benefit of such an integrated system is that claims can be processed with much greater speed and efficiency, particularly when ESP is the conduit for outbound claims from a market CSD to any withholding agent also using ESP as its inbound processor and validator.

Financial institutions filing claims via ESP must still generate claim documentation – claim forms, tax vouchers, certificates of residence, etc. – on behalf of their clients. This remains a highly niche and specialist area that most firms struggle with, or limit the scope of their operation. By integrating with GlobeTax, withholding agents, CSDs and custodians can leverage a single point of contact to simplify their tax operations while also expanding their scope.

It's commonly accepted that despite STP efforts elsewhere in custody operations, over 80% of corporate actions today still involve paper. This will change but there is still a way to go to make STP a reality in complex and voluntary corporate actions. Today, working smarter in the withholding tax environment means finding ways to minimize manual interventions even when documentation is required. ESP can be a major driver of this change.

We continue to develop new uses for ESP, not just for withholding tax but also regulatory compliance, disclosure programs and information reporting. As the industry continues to move towards modernization, ESP's applicability will continue to grow. The future is bright.



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