

# How DocuTax streamlined operations and increased data reliability for a QI

US Qualified Intermediaries (QIs) are required to document their customers with IRS W-Series forms in order to trade and hold US securities and, where appropriate, apply double taxation treaties to US sourced income payments.

## Challenge

The forms are complex and errors are frequently made by customers when completing them. They also require specialist knowledge to validate and are subject to an intensive audit regime.

The client, a QI with a large population of clients trading in US securities, had an online solution from a large software provider that assisted them with the collection and validation of IRS W-Series forms. This solution was decommissioned with very short notice, leaving the client with a large gap in their operational processes and a reversion to manual paper processes.



The customer journey had been disrupted as these forms could no longer be completed via the company website. A paper form had to be downloaded and completed manually, then forwarded to the QI either by email or physical mail.



Upon receipt the form would go into a processing queue, then be manually validated against the customer records and the form data re-keyed into the QI's systems. This significantly increased the operational effort and required additional specialist knowledge to be reallocated to the validation tasks. It also increased the risk of human error to the validation process.



The forms themselves were being stored in bulk folders and were becoming difficult to retrieve once processed. Plus, the client had a lot of form data sitting in the decommissioned system that was still required as the auditable period on them had not yet passed.

The situation was not sustainable – it was damaging their reputation with customers, adding significant resourcing costs to their operations and introducing new risks of errors into their QI activity just as they were preparing for an upcoming QI Periodic Review to be performed by external auditors.

# Key areas that we considered before designing the solution

## Customer experience

How could we create the simplest customer journey, ensuring accuracy of completing the forms and reducing customer frustrations, with the guidance to help get it right first time?

## Efficiency and accuracy

How could we integrate a solution into the client's systems to remove the need for manual re-keying and 'by sight' validations that are susceptible to human error, reducing the operational resource required for these tasks and make better use of specialist resources?

## Audit and migration

How could we ensure easily retrievable form data and images for audit purposes for newly completed forms? Also for the existing data and forms that had been processed manually or via the legacy system?

## Integration

DocuTax is fully integrated with your own website so your customer does not have to navigate away from your branding and services to complete the form.

## Complexity

Our 'form chooser', with configurable guidance notes and intensive data input validation rules (including a fully comprehensive TIN validation feature) take all the complexity out of the process for both customers and internal operational users. Right form, right first time.

## Straight through processing

Integrating our DocuTax tool into your back office and books and records systems results in a large percentage of forms processing straight through – having the data input validated automatically against your existing customer data, trading and withholding flags can also be updated in real-time, reducing administrator intervention at all stages of the process.

**Thanks to our integrated and seamless process, our client was able to achieve:**



Significantly reduced operational effort, allowing the reallocation of specialist resource to other areas of risk



The ability for customers to complete the entire process accurately and be ready to trade in a matter of minutes



Increased reliability on their QI data and all their auditable information and documents stored in one place for easy retrieval