



## Why cross-border tax relief makes an ideal business case for technology-driven outsourcing

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*November 2021*

In the past decade, the financial services sector has been undergoing a major transformation; outsourcing of business processes and technology has been a growing trend in this transformation. The area of tax services has been no exception: a recent [survey by Deloitte](#) found that nearly half of the C-suite respondents in tax think that outsourcing is the most significant strategy to accelerate change.

Acupay System, as an innovative financial technology solution provider specialized in the rapidly changing environment of cross-border tax, recognized this trend early. It was almost a decade ago, when Acupay conceived the idea of a tax relief platform that would enable financial intermediaries and investors to realise their full tax relief potential on their own and their clients' international investments. Our journey to realising this vision continued with our partnership with a major European CSD in 2014. Our comprehensive outsourcing solution, called the Tax Processing Services (TPS) platform, was launched in 2016 and has been instrumental in the expansion and growth of the CSD's post-trade and asset service offering through the development of a new tax service for its custodians.

Five years after the successful launch of TPS, our experience has proved, and continues to prove every day to us and our clients, why tax relief continues to make an excellent business case for technology-driven outsourcing. Let us take you through eight key advantages that can be achieved:

- ✓ **Reduced Costs.** Once the tax relief service and related back-office operations are performed by Acupay, you can drastically reduce tax relief related operational overheads and infrastructure costs and will be able to convert certain fixed costs into variable ones.

- ✓ **External Expertise.** Developing and offering cross-border tax relief solutions is why Acupay exists. This is our core competency—we have spent over 15 years helping investors obtain relief on withholding tax.
- ✓ **Lower Risks.** TPS is a highly automated solution that helps reduce manual operations and paperwork, reducing operational risk overall. In addition, users benefit from Acupay's expertise and enhanced ability to plan for and mitigate potential risks around tax relief.
- ✓ **Focused strategy.** Financial intermediaries and investment firms do not generally see tax relief as a core strategy. Outsourcing the tax back-office into an external provider with proven experience can allow you to refocus resource on core products and services and primary activities that sit at the heart of your firm's strategy.
- ✓ **Better Compliance.** Acupay stays abreast of all the current and upcoming laws and international and local market regulations through our experienced staff and our extensive, global network of local custodians, legal counsels, and financial advisors.
- ✓ **Advanced Technology.** Acupay utilizes cutting-edge technologies in secure data transmission, fully automated data processing, and real-time reporting in line with the industry's standards for data security encryption and best practices. We have also embraced cloud services and offer flexible, dynamic hosting solutions to comply with each client's unique technology, security, and compliance requirements.
- ✓ **Increased Flexibility.** The TPS solution is modular and highly customizable, allowing you to "downstream" or "outsource" to your underlying clients or business partners certain responsibilities and costs associated with tax relief operations. Moreover, Acupay offers flexible pricing models to meet each client's fee structures and needs

- ✓ **24/7 client service.** Thanks to our robust and highly automated TPS platform, our service is provided 24/7 to you and your clients. Moreover, our client support, product and development teams are available 20 hours each business day and on stand-by on weekends.

What about disadvantages in tax relief outsourcing? Are there any? Like any strategic business decision, outsourcing involves risks. At Acupay, we understand the challenges and we strive to be open and transparent with our clients in how our processes address these risks, particularly:

- ✗ **Loss of control.** Outsourcing of the tax relief service could result in loss of management control over the outsourced activities and technologies. In response, TPS offers managed service and white-labelling options allowing organisations to retain a level of control you remain comfortable with. Our dashboard interfaces give full access and control over your organisations' and clients' data and activity.
- ✗ **Sensitive data exposure.** The delivery of outsourced services inevitably means sharing confidential and sensitive data to an external provider. Acupay follows all international and local data protection laws and regulations and applies industry best-practices around data security. Also, our cloud hosted solutions allow data transmission and storage within specific geographic zones in accordance with our client's needs and preferences.
- ✗ **Loss of service quality.** Can the delivery of an outsourced service by a third-party mean worse quality and dissatisfied customers? Not when the outsourcer is a specialised financial technology and service provider with proven expertise, a strong track record of over 15 years, and a series of excellent client testimonials.

- ✘ **Hidden costs and lengthy contracts.** Many external providers may attempt to apply hidden and unexpected fees, as well as lengthy contractual arrangements with “small-letter” terms, which can put your company in a disadvantageous position. Acupay favours simplicity and transparency with pricing models that work for you and negotiable contractual terms.

In conclusion, outsourcing can be a difficult business decision with a lot of factors to be considered. However, when it comes to cross-border tax relief on investments, the advantages that can be delivered are substantial.

If you would like to explore how tax relief outsourcing can transform your services and deliver value to your organisation and your clients, get in touch with us today to schedule a meeting at [product@acupay.com](mailto:product@acupay.com) or +44 207 382 0340.

## References

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