



KPMG IRW Toolbox QI Toolkit

Taking the complexity out of compliance

Information Reporting & Withholding Tax Services



To coincide with the start of the U.S. Foreign Account Tax Compliance Act (FATCA) in July 2014, the IRS modified the Qualified Intermediary (QI) agreement that had been in place since 2001. This has since been updated with the current QI agreement released in Rev. Proc. 2017-15. Under the terms of this agreement, the QI is no longer required to undergo an external QI audit twice in a six-year cycle. Instead, a robust QI compliance program under the authority of a Responsible Officer (RO) must now be in place.

As part of the compliance program, a QI must undergo an independent periodic review once in each three-year period unless certain de minimis income thresholds are met. However, the current requirement to undergo an independent periodic review is only one aspect of the overall compliance program. The RO must also ensure that the QI is compliant throughout the three-year period.

To monitor compliance on an ongoing basis, a leading practice is for QIs to perform internal reviews regularly, even during non-QI review years. KPMG LLP (KPMG) has developed the QI Toolkit, part of the KPMG IRW Toolbox series, to help QIs manage and perform internal reviews in years in which formal periodic reviews are not required (off-year reviews).



About KPMG IRW Toolbox – QI Toolkit

KPMG professionals in the Information Reporting & Withholding Tax Services practice have extensive experience in performing independent QI audits and, more recently, QI periodic reviews. For the past two decades, KPMG has used proprietary tools to facilitate these audits and reviews of hundreds of QIs worldwide.

Now, KPMG has combined these tools and experience into a user-friendly QI Toolkit that can be used internally by QIs to facilitate off-year reviews. The toolkit includes:

- A web-based documentation questionnaire
- A web-based withholding questionnaire
- Excel templates for recording reporting information and identifying and reconciling variances
- Numerous supporting instructional checklists, e.g., instructions to identify the population of accounts subject to review, instructions on what payments and other information are needed for the withholding review, and more.
- The web-based documentation and withholding questionnaires are the core of the QI Toolkit. A dashboard provides a central location to track the QI reviews.



Documentation Questionnaire

This questionnaire asks specific questions in an easy-to-use format about required documentation. Responses are saved and presented on a results screen that indicates where documentation errors that require remediation exist. A separate screen houses a schedule of findings, where notes can be added along with more details and questions about specific accounts that may require further attention.

Documentation questionnaire – Sample screen

The tabs shown are dynamic and will open based on inputs made, generally, in the “Documentation” tab. The top right shows the number of questions answered out of the total questions; the numbers are continuously updated as the user progresses through the account. Arrow navigation and a drop- down list of accounts are provided to allow swift access to specific accounts.



Withholding Questionnaire

The withholding questionnaire allows the user to input information on an account-specific basis. It allows analysis of the accounts to help verify that withholding tax was imposed properly and identify instances of underwithholding. A results page highlights the accounts with the potential underwithholding.

Contact us

KPMG Information Reporting & Withholding Tax Services include a wide range of information reporting consulting and technology solutions to help financial services entities and multinational companies comply with U.S. and foreign withholding requirements and reporting regimes. To learn more about the QI Toolkit or our other services, contact one of the following professionals or visit read.kpmg.us/irw:

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