



Front and Center

Tax Advice: JPMorgan Aims to Become 'Go-To' Firm for Tax Info; Institutional investors can tap Web-based service

By Michael Grebb

April 1, 2005

With the global economy turning the world into a complex web of tax laws and regulations, JPMorgan Chase has jumped into the fray in hopes of easing all of that confusion-and making a few bucks doing it.

In late February it launched JPMorgan E-Tax service, a comprehensive collection of global tax news, intelligence and information for institutional investors.

In addition to general tax news, the E-Tax Web-based service offers tax information from more than 85 markets around the world, including news flashes with breaking news about changes to tax regulations and laws, and a database searchable back to 1998. Also included is the Tax Monitor, a monthly publication with updates of global industry developments and trends, policies, treaties and market profiles that describe tax rates in different countries, including exemptions and capital gains. In addition, E-Tax provides the full spectrum of tax forms needed by JPMorgan clients worldwide.

In other words, JPMorgan Chase is trying to become the "go-to" company for clients who need to monitor tax-related developments around the clock.

"We saw from daily inquiries we were receiving that there was a need for this product," says Lawrence Manning, head of tax services for JPMorgan Investor Services. "There's nobody out there that provides the scope or contemporaneous nature of our service."

To be sure, global tax issues have become increasingly complex. Whether coping with often overlooked topics such as the value-added tax, a transactional tax imposed in many countries, or understanding how all the global tax rules interconnect, institutional investors face numerous challenges trying to make sense of it all.

"Every country has a different system," points out Chris Walsh, VAT practice leader at Berwyn, PA-based Vertex.

JPMorgan Chase hasn't released the number of clients using E-Tax, partly because it was only just launched. But Manning says clients such as investment banks, private banks and investment managers have already expressed interest.

The service relies on a network of tax professionals positioned around the globe—each tasked with keeping the E-Tax site up to date. As they learn about changes to tax codes worldwide, they automatically update the site in real time.

"Our clients have the same information virtually when we get it," he says. For the privilege, clients pay an annual subscription of at least \$10,000 or more, depending on how many site licenses they require and other factors.

JPMorgan executives are also touting the system's use of the bank's VIEWS platform, a browser-based suite of applications enabling users to access a variety of reporting, research and analytical applications.

The platform is "a simple-to-use, Web-based product that allows customization of information at their fingertips," says Neil Henderson, svp at JPMorgan Investor Services Securities Processing and a Fund Services executive.

According to Manning, the company viewed the product's ease of use and convenience as a key factor in its ability to eventually attract a broad base of users. "It provides those analytical and transactional tools right on their desktop," he says.

Depending on the success of the E-Tax service, JPMorgan may face competition from other financial services firms. But Manning says creating the database infrastructure takes time, so the company hopes to cement a lead now.

"I think we're going to have this space a little while for ourselves," Manning says. "It's not an easy job to fill."