

MEMO# 11504

December 30, 1999

IRS AMENDS NONRESIDENT ALIEN WITHHOLDING REGULATIONS TO INCORPORATE PREVIOUSLY ANNOUNCED DELAY IN EFFECTIVE DATE

1 See, e.g., Institute Memorandum to Bank and Trust Advisory Committee No. 10-99, Operations Members No. 11-99, Tax Members No. 14-99 and Transfer Agent Advisory Committee No. 29-99, dated May 18, 1999. [11504] December 30, 1999 TO: BANK AND TRUST ADVISORY COMMITTEE No. 34-99 OPERATIONS MEMBERS No. 30-99 TAX MEMBERS No. 45-99 TRANSFER AGENT ADVISORY COMMITTEE No. 83-99 RE: IRS AMENDS NONRESIDENT ALIEN WITHHOLDING REGULATIONS TO INCORPORATE PREVIOUSLY ANNOUNCED DELAY IN EFFECTIVE DATE

In Notice 99-25, the Internal Revenue Service ("IRS") and Treasury Department announced that the effective date of the final withholding tax regulations would be delayed until January 1, 2001.¹ As a result, the final withholding tax regulations will apply to certain amounts paid by US persons after December 31, 2000 to persons who are neither citizens nor residents of the United States. The IRS has amended the final withholding tax regulations to incorporate the delayed effective date of January 1, 2001 previously announced in Notice 99-25. As under existing transition rules, the attached amendments require that nonresident investors provide new withholding certificates (e.g., Form W-8BEN, Form W-8IMY) for payments made after December 31, 2000. New withholding certificates will be treated as satisfying the documentation requirements of the current withholding rules (which are effective prior to January 1, 2001). Deanna Flores Assistant Counsel Attachment