

MEMO# 10238

August 28, 1998

IRS WILL ALLOW ELECTRONIC SUBMISSION OF FORMS W-9

[10238] August 28, 1998 TO: OPERATIONS MEMBERS No. 22-98 PENSION MEMBERS No. 55-98 PENSION OPERATIONS ADVISORY COMMITTEE No. 39-98 TAX MEMBERS No. 28-98 TRANSFER AGENT ADVISORY COMMITTEE No. 53-98 RE: IRS WILL ALLOW ELECTRONIC SUBMISSION OF FORMS W-9

In Announcement 98-27, the Service stated that it will allow payers to establish a system to electronically receive Forms W-9, Request for Taxpayer Identification Number and Certification. Any such system must ensure that the information electronically received by the payer is the information sent by the payee. The system must document all occasions of user access that result in an electronic submission. The design and operation of the electronic system, including access procedures, also must make it reasonably certain that the person accessing the system and electronically submitting a Form W-9 is the person identified in the form. An electronically submitted Form W-9 must provide the payer with exactly the same information as a paper Form W-9 and, where signatures are required, must be signed under penalty of perjury with an "electronic signature." An electronic signature may be in any form that identifies the payee submitting the electronic form and "authenticates and verifies" the submission. The electronic signature must be the final entry in the submission. Upon request by the Service, a payer must provide a hard copy of an electronic Form W-9 and a statement that, to the best of the payer's knowledge, the electronic Form W-9 was submitted by the named payee. Although not explicitly mentioned in the announcement, the IRS staff attorney who drafted the announcement has indicated informally that, so long as the above described requirements are satisfied, a facsimile copy of a Form W-9 should be treated as a permissible "electronic submission" and a personal identification number ("PIN") should be treated as a permissible "electronic signature."

Deanna J. Flores Assistant Counsel Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Library Services Division at (202)326- 8304, and ask for this memo's attachment number: 10238.