

**MEMO# 1463**

October 16, 1989

## **NOTICE OF POTENTIAL BACKUP WITHHOLDING**

October 16, 1989 TO: TAX MEMBERS NO. 40-89 UNIT INVESTMENT TRUST MEMBERS NO. 55-89 CLOSED-END FUND MEMBERS NO. 54-89 OPERATIONS MEMBERS NO. 31-89 TRANSFER AGENT SHAREHOLDER ADVISORY COMMITTEE NO. 26-89 RE: NOTICE OF POTENTIAL BACKUP WITHHOLDING

\_\_\_\_\_ As we previously informed you, this April the Internal Revenue Service issued temporary regulations amending the temporary regulations issued in November 1987 which, among other things, provided rules for imposing backup withholding following receipt of a "B Notice" from the IRS that payees had provided incorrect taxpayer identification numbers (TINs). (See Institute Memorandum to Tax Members No. 14-89, Unit Investment Trust Members No. 22-89, Closed-End Fund Members No. 18-89, Operations Members No. 15-89, and Transfer Agent Shareholder Advisory Committee No. 9-89, dated April 18, 1989.) One change made by the April regulations was a revision to the notice that payors send to payees to inform the payees that documents in addition to the Form W-9 may need to be sent to the payor to change a TIN or name (or both) on an account. Attached is the recently issued notice prepared by the IRS that incorporates the changes made by the April regulations. As you know, the IRS has delayed the mailing of B Notices for 1988 information returns until 1990. (See Institute Memorandum to Tax Members No. 34-89, Unit Investment Trust Members No. 51-89, Closed-End Fund Members No. 46-89, Operations Members No. 30-89, and Transfer Agent Shareholder Advisory Committee No. 25-89, dated October 4, 1989.) We will keep you informed of developments. Keith D. Lawson Assistant General Counsel Attachment

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