

MEMO# 10632

January 8, 1999

IRS EXPRESSLY APPROVES RECEIPT OF FAXED FORMS W-9

1 See Institute Memorandum to Operations Members No. 22-98, Pension Members No. 55-98, Pension Operations Advisory Committee No. 39-98, Tax Members No. 28-98, and Transfer Agent Advisory Committee No. 53-98, dated August 28, 1998. [10632] January 8, 1999 TO: OPERATIONS MEMBERS No. 1-99 PENSION MEMBERS No. 1-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 1-99 TAX MEMBERS No. 2-99 TRANSFER AGENT ADVISORY COMMITTEE No. 3-99 RE: IRS EXPRESSLY APPROVES RECEIPT OF FAXED FORMS W-9 _____ The

attached "Instructions for the Requester of Form W-9," recently released by the IRS, expressly provide that payers "may establish a system for payees to submit Forms W-9 electronically, including by fax." As we previously informed you,¹ IRS Announcement 98-27 sets forth the requirements for the electronic submission of Forms W-9. Since the IRS had indicated only informally that faxed Forms W-9 should be permissible under the announcement, the Institute sought the clarification provided by the instructions. The instructions, like the earlier version that they update, also describe generally (1) the circumstances under which a payee may be required to obtain an individual tax identification number ("ITIN"), rather than a taxpayer identification number ("TIN"), (2) the requirements for substitute Forms W-9 developed by a payer, (3) the application of backup withholding to payments made to a payee that has applied for and is awaiting a TIN, (4) the payees and types of payments that are exempt from backup withholding, (5) the application of backup withholding to payments made to joint foreign payees, and (6) the use of payee names and TINs on information returns filed with the IRS, including where payments are made to an account held in more than one name. 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: 10632.