

MEMO# 13149

February 12, 2001

CONFERENCE CALL SCHEDULED FOR MARCH 7, 2001 TO DISCUSS INDUSTRY COMMENTS ON NEW NONRESIDENT ALIEN WITHHOLDING TAX RULES

[13149] February 12, 2001 TO: OPERATIONS COMMITTEE No. 3-01 PENSION COMMITTEE No. 11-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 13-01 TAX COMMITTEE No. 4-01 TRANSFER AGENT ADVISORY COMMITTEE No. 15-01 RE: CONFERENCE CALL SCHEDULED FOR MARCH 7, 2001 TO DISCUSS INDUSTRY COMMENTS ON NEW NONRESIDENT ALIEN WITHHOLDING TAX RULES New withholding tax rules apply to payments of certain US source income to foreign persons after December 31, 2000.¹ Of particular interest to US funds and their shareholders, the new rules impose additional certification and reporting requirements on fund distributions to foreign payees from taxable and non-taxable accounts. The Institute presently intends to submit comments to the Internal Revenue Service ("IRS") regarding technical issues presented for US funds under the new withholding tax rules. To date, the following potential issues have been identified by Institute members: 1. 3405 versus 1441 withholding on Roth and Education IRAs; 2. Validity period of Forms W-8 with taxpayer identification numbers or accompanied by documentary evidence; 3. Acceptable types of "documentary evidence"; 4. Withholding status of foreign IRA beneficiaries; 5. Withholding status of US expatriates and foreign persons with US social security numbers; and 6. Operational issues associated with repayment (or offset) of overwithheld amounts to investors. 1 See, among others, Institute Memorandum to Broker/Dealer Advisory Committee No. 28-00, Operations Members No. 28-00, Pension Members No. 58-00, Pension Operations Advisory Committee No. 90-00, Tax Members No. 36-00, Transfer Agent Advisory Committee No. 64-00, and Unit Investment Trust Members No. 32-00, dated December 12, 2000. 2The Institute has scheduled a conference call on Wednesday, March 7, 2001 at 2 pm EST to discuss industry comments to the IRS on the new nonresident alien withholding tax rules. If you plan to participate in the March 7th call, please complete the response form below and fax it to the Institute's Ezella Wynn at 202/326-5841 by close of business on Friday, March 2, 2001. Please direct your suggestions for particular issues to be addressed on the conference call to Deanna Flores (dflores@ici.org or 202/371-5436). An updated issues list will be circulated by e-mail to all call participants. Deanna J. Flores Associate Counsel

Response Form for Institute's Conference Call on Nonresident Alien Withholding Tax Rules
Yes, I will participate in the March 7, 2001 Conference Call at 2 pm EST on issues presented for US funds under the new nonresident alien withholding tax rules. To participate in the call dial 800/949-5539 and ask for the Nonresident Alien Withholding Tax Rules call,

Confirmation Number 4993734.

Committee Member Company Name

Telephone Number E-mail Address

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