



# TRANSCRIPT

## W-8BEN LESSON 2

Hello and welcome back! In this lesson we will begin our line by line walkthrough of the Form W-8BEN

Let's begin our walk-through with the heading section at the top left corner. This is where and how we know that we are looking at the Form W-8BEN. The revision date, just under the title, is very important. This tells us the last revision date of the form. Here you will see it says Rev. July 2017, which means that the last time the IRS revised this form was in July of 2017. Why is this date important? First, and foremost, we want to be sure that we are using the most current version of the form. Second, there are rules that we will learn in our module on section 1441 that explain something called a sunset period. When the IRS updates or revises a form, generally payors and withholding agents must begin collecting the newest revision within six months of that new revision date. As an example, in this case, a payor or withholding agent should have started collecting this new Form W-8BEN as revised in July 2017 by January 2018. From a practical standpoint, a beneficial owner may provide a withholding agent a new form as soon as the IRS releases one. In this case withholding agents are advised to be aware of when new forms come out and be prepared to accept them.

Form **W-8BEN**

(Rev. July 2017)

Department of the Treasury  
Internal Revenue Service

---

Now, let's turn to the top center of this form. Here we notice a few more items. First, and most obvious, is the full title of the Form W-8BEN – Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting – Individuals. We also see a notation that this form is for individuals and that entities must use Form W-8BEN-E – great, we already know this! It is a good reminder though. Next, we see a website for the IRS Instructions to Form W-8BEN and the latest information. Another good reminder for everyone to double check that they are using the most recent revision of the form and to note whether the IRS has published any additional guidance. Our last point here is another reminder that an individual or human, who is a beneficial owner must provide this form to a payor or withholding agent. This is not a form to file or submit to the IRS unless specifically requested by the IRS.



# TRANSCRIPT

## W-8BEN LESSON 2

### **Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)**

- ▶ For use by individuals. Entities must use Form W-8BEN-E.
- ▶ Go to [www.irs.gov/FormW8BEN](http://www.irs.gov/FormW8BEN) for instructions and the latest information.
- ▶ Give this form to the withholding agent or payer. Do not send to the IRS.

In the top right corner, you will see the OMB control number, which stands for “Office of Management and Budget.” This dictates the index number of the document. Generally, unless the form displays a valid OMB Number, no one is required to provide the information requested on a form that is subject to the Paperwork Reduction Act.

OMB No. 1545-1621

The next section is something we talked about just a bit ago, as it lists the persons who are not eligible and should not complete a Form W-8BEN.

The last part of the header is an interesting little note relating to chapter 4 or the Foreign Account Tax Compliance act – FATCA. It states that if the beneficial owner is a resident in a FATCA partner jurisdiction, then certain tax account information may be provided to that jurisdiction. A FATCA partner jurisdiction is a country that has entered into an Intergovernmental Agreement or IGA with the United States to be compliant with chapter 4. This note is letting the beneficial owner know that when he or she provides this Form W-8BEN to a withholding agent or payor, the information on that form may be shared for purpose of chapter 4 compliance between the United States and other IGA countries.

---

**Note:** If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

---



# TRANSCRIPT

## W-8BEN LESSON 2

So, let's keep moving!

Now, we start to get into the substance of this form. You will see that we have certain areas identified as "Parts". In the case of the Form W-8BEN there are only three sections identified as Parts - Part 1, Identification of Beneficial Owner, Part 2, Claim of Tax Treaty Benefits, and Part 3, Certification, where the individual completing the form makes the certification and signs the form under penalty of perjury. All seemingly very straight forward.

So, let's begin with Line 1. This is where the beneficial owner will enter his or her name. Remember, the beneficial owner is the non-U.S. person who is receiving the payment of U.S. source FDAP income. One confusing topic is always disregarded entities! I know we have touched on this several times, but to make sure it is clear in the context of completing the Form W-8BEN, we will revisit again! If the individual is a single owner of a disregarded entity that is not claiming treaty benefits as a hybrid entity, then he or she would complete this form with his or her name and applicable information. We talked about this during the course. A non-U.S. individual who is a single owner of a disregarded entity would complete and provide a Form W-8BEN in his or her name. On the other hand, if the individual was a U.S. person, then he or she would complete a Form W-9. Remember, for disregarded entities, the individual who is a single owner completes the withholding certificate according to his or her own status and information. A disregarded entity that is claiming treaty benefits would not complete a Form W-8BEN. Instead it would claim treaty benefits on a Form W-8BEN-E, as a non-U.S. entity. We will talk about that more when we walk through that form for entities!

---

**1** Name of individual who is the beneficial owner

---

Next, we move to Line 2, which is where the beneficial owner enters his or her country of citizenship. Some non-U.S. persons might be dual citizens or a citizen of two countries. In that case, the beneficial owner would enter the country where he or she is both a citizen and resident at the time of completing the Form W-8BEN. For those individuals who are not resident in any country in which he or she has citizenship, then the individual would enter the country where he or she was most recently a resident. It goes without saying that U.S. citizens would not complete this form, even if he or she holds citizenship in another jurisdiction. U.S. persons always complete a Form W-9.

---

**2** Country of citizenship

---



# TRANSCRIPT

## W-8BEN LESSON 2

On line 3, we have permanent residence address. This includes the street, apartment, suite, or rural route, city or town, state or province, postal code, and country. You know, the general address requirements. These will be important to payors and withholding agents to identify last known addresses for purposes of mailing information returns. The permanent residence address is the address in the country where he or she claims to be a resident for purposes of income tax in that country. This is important for a non-U.S. individual who is making a treaty claim on a Form W-8BEN. In that case, he or she would determine permanent residence address based on the articles and guidance in the applicable treaty. In case we have not mentioned this before, we always recommend that persons completing withholding certificates discuss any questions with a tax professional. Determining treaty benefits and other tax rules can be quite difficult and it is always in their best interest to talk through questions and issues with a tax professional. Practically, withholding agents should not be assisting beneficial owners with determining their status or ability to claim a treaty benefit.

Now, you may notice on Line 3 there is a notation in bold text that states, do not use a P.O. box or in-care-of address. This is an important note. Why is it here? Well, first, if you think about it, P.O. Boxes, generally are boxes in a post office and not necessarily an actual residence where a human can live. There are certain countries, such as Kuwait and Saudi Arabia, where a P.O. box is actually a home address; however, for most of the rest of the world it is a box in a post office, which is not an acceptable permanent residence address. The same goes for in-care-of addresses or other addresses used solely for mailing purposes. If the individual or human is not listed as a resident, then he or she would be using the address as an in-care-of address. This is where another person or entity would accept mail on behalf of another person and is an indicator that the individual likely does not reside there – so – not treated as a permanent residence address.

One other place that likely is not a permanent residence address is that of a financial institution. Not many folks live in their banks.

Similar to our discussion regarding Line 2, country of citizenship, for those individuals that do not have a tax resident in any country, his or her permanent residence is where he or she normally resides – which has to be somewhere, right?

One last note here, which seems to be a lot of talk about addresses, if an individual resides in a country that does not use street addresses, he or she may enter a descriptive address on line 3. This address must accurately indicate a permanent residence in the manner used in his or her jurisdiction.

---

**3** Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

---

City or town, state or province. Include postal code where appropriate.

Country