

Tax Solutions: Tax Withholding

Enabling financial services firms to provide the correct calculations of tax withholding and reporting requirements for payments made to US and non-US customers

Tax Withholding is a solution that provides calculations for the rate of US withholding tax required on income paid to non-resident aliens and the rate of backup withholding on payments to US persons.

Rates of withholding for different income types paid to US and non-US payees can change throughout the year. This can depend on the current validation and expiration of Forms W-8 and W-9, as well as updates to tax regulations.

Our Tax Withholding solution uses the current tax form validation attributes to determine a withholding rate on over 100 different income types. It also helps our customers determine where a Form 1099 or Form 1042-S reporting requirement exists and provides the required coding for 1042-S reporting. The solution is compatible with our tax validation tools, as well as with the validation parameters that the withholding agent collects for each customer. The withholding rate and reporting result for each income type requested is based on each payee document validation status, payee type, treaty claim and country, and payment date.

Supporting FATCA Requirements

Recognizes FATCA classifications and form validation results fed from our tax document validation and certification products, and produces appropriate withholding rates under both Chapters 3 and 4. Also recognizes and modifies withholding rates in accordance with presumption rules in final FATCA regulations and notifies customers of whether the withholding required is Chapter 3 or Chapter 4 withholding as well as information required for 1042-S and 1042 reporting.

Delivering Fast Results

Real-time withholding determinations fed into payment systems.

Driving Efficiency

Ability to exchange documentation characteristics from MD3®, Digital W-8, E-W8™, or IPS™ to the Withholding module.

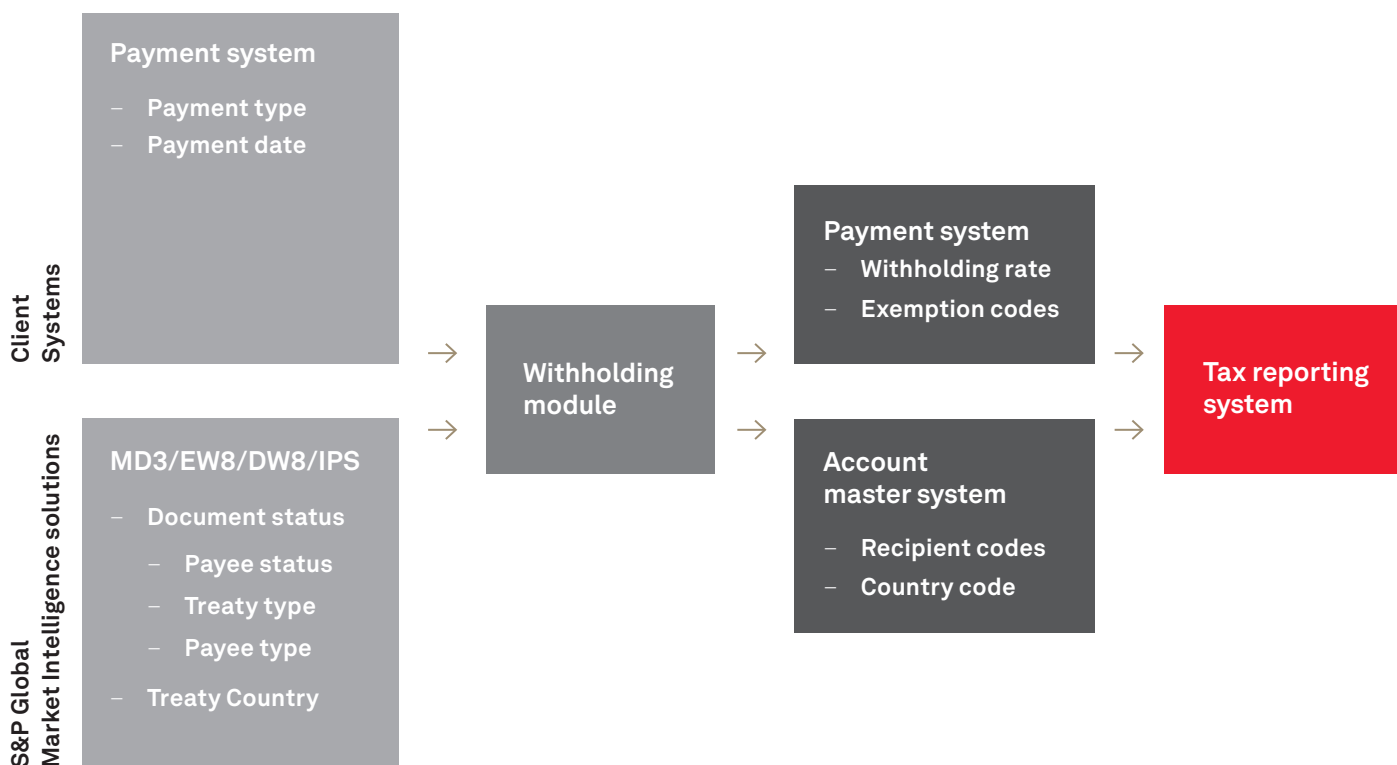
Enabling Integration

Available in both Microsoft .NET and Java platforms and can interface with account master and payment systems.

Addressing Reporting Needs

Provides the appropriate tax rate and reporting codes for Forms 1042-S, where required, including: income codes, recipient codes, exemption codes (Chapter 3 and Chapter 4), and country codes.

Tax Withholding Process



CONTACT US

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

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