

# FATCA UPDATE

## IRS RELEASES AMENDED W-9 FORM

15 AUGUST 2023



On 8 August 2023, the Internal Revenue Service (“IRS”) published [draft of Form W-9](#) (“the draft form”) and shows a revision date listed as October 2023. The draft form introduces a new tax classification for flow-through entities. As a background, W-9 forms are typically used by Financial Institutions (“FIs”) to collect information from their US clients (individuals as well as entities) to meet any reporting obligations to the IRS.

### SUMMARY OF THE CHANGES

Under the draft form, a flow-through entity is required to complete the newly introduced line 3b to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the form to another flow-through entity. The objective of the change is to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can meet any applicable reporting requirements.

### EFFECTIVE DATE OF THE FORM

The draft form shows a revision date of October 2023. Once the final October 2023 version is published, FIs will be required to use such form instead of the existing October 2018 version of the W-9 form. The IRS may however grant a transition period of up to six months following which the new form must be used.

### IMPACT FOR FIs

FIs should prepare for the proposed changes and be ready to update their processes, forms and systems accordingly. It is important for FIs to monitor the above timelines carefully and communicate the changes within their team to ensure that the updated form is used, once finalized.



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