

## **CTI Tax Solutions: Tax Withholding**

Providing calculations of tax withholding and reporting requirements for payments made to US and non US customers

CTI Tax Solutions Tax Withholding is a deduction engine 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 investors 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 customers determine where a reporting requirement exists on Form 1099 or 1042-S 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 the document validation status, payee type, treaty claim and country, and payment date.

#### Supports FATCA

Recognizes FATCA classifications and form validation results fed from our tax document validation and certification products, and produces appropriate withholding rates under FATCA and 1441. Also recognizes and modifies withholding rates in accordance with presumption rules in final FATCA rules and notifies customers of whether the withholding required is FATCA r 1441 withholding as well as information required for 1042-S and 1042 reporting.

#### Fast results

Real time withholding determinations fed into payment systems.

#### Efficient

Ability to pass documentation characteristics from MD3, Digital W-8, E-W8<sup>™</sup>, or IPS<sup>™</sup> to the Withholding module.

#### Compatibility

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

# Supports reporting requirements

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





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