

**SUPPORTING STATEMENT**  
**Internal Revenue Service**  
**Rev Proc 2000-12 et al.**  
**Form 14345**  
**OMB Number 1545-1597**

**CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Revenue Procedure 2000-12

On October 6, 1997, the IRS released final regulations under sections 1441 et seq. that contain significant modifications of the procedures for withholding on payments of U.S. source income to foreign persons and for reporting information about these payments to the IRS. The regulations permit foreign intermediaries that become "qualified intermediaries" (QI) to certify to a U.S. withholding agent that the beneficial owner of income is a foreign person and, if applicable, that the owner is entitled to a reduced rate of withholding either under the Code or a tax treaty.

These procedures are, in part, a response to the comments made by foreign financial institutions that the current U.S. withholding tax regime sometimes requires the disclosure of confidential taxpayer information to competitors.

The reporting requirements (information collection) are set out in Section 3.01 of this Revenue Procedure:

A prospective QI must submit an application (Form 14345) to become a QI. The application must establish to the satisfaction of the IRS that the applicant has adequate resources and procedures to comply with the terms of the QI withholding agreement. An application must include the information specified in Revenue Procedure 2000-12 Section 3.02, and any additional information and documentation requested by the IRS:

- (1) A statement that the applicant is an eligible person and that it requests to enter into a QI withholding agreement with the IRS.
- (2) The applicant's name, address, and employer identification number (EIN), if any.
- (3) The country in which the applicant was created or organized and a description of the applicant's business.
- (4) A list of the position titles of those persons who will be the responsible parties for performance under the Agreement and the names, addresses, and telephone numbers of those persons as of the date the application is submitted.
- (5) An explanation and sample of the account opening agreements and other documents used to open and maintain the accounts at each location covered by the Agreement.
- (6) A list describing the type of account holders (e.g., U.S., foreign, treaty benefit claimant, or intermediary), the approximate number of account holders within each type, and the estimated value of U.S. investments that the QI agreement will cover.
- (7) A general description of U.S. assets by type (e.g., U.S. securities, U.S. real estate), including assets held by U.S. custodians, and their approximate aggregate value by type.

The applicant should provide separate information for assets beneficially owned by the applicant and for assets it holds for others.

(8) A completed Form SS-4 (Application for Employer Identification Number) to apply for a QI Employer Identification Number (QI-EIN) to be used solely for QI reporting and filing purposes. An applicant must apply for a QI-EIN even if it already has another EIN. Each legal entity governed by the QI withholding agreement must complete a Form SS-4.

(9) Completed appendices and attachments that appear at the end of the QI agreement set forth in section 4.

#### Revenue Procedure 2003-64

This revenue procedure amends revenue procedure 2000-12.

An entity seeking to enter into a "withholding foreign partnership" (WP) agreement, and a "withholding foreign trust" (WT) must submit an application to become a WP or WT. The application must establish, to the satisfaction of the IRS that the applicant has adequate resources and has established appropriate practices and procedures to comply with the terms of the WP agreement or WT agreement. An application must include the information required by Form 14345, Qualified Intermediary Application, a completed Form SS-4 (Application for Employer Identification Number), and any additional information and documentation requested by the IRS.

The objective of the WP agreement and WT agreement is to allow a foreign partnership or foreign trust to become a WP or WT and to assume the withholding and reporting obligations under chapters 3 and 4 of the Code for payments of U.S. source income (such as interest, dividends, and royalties) made to its partners, beneficiaries, or owners, and in some cases, persons holding interests in the WP or WT through one or more foreign intermediaries or flow-through entities.

#### Revenue Procedure 2004-21

This revenue procedure amends Revenue Procedure 2003-64.

#### Revenue Procedure 2005-77

This revenue procedure modifies Revenue Procedure 2004-21.

#### Revenue Procedure 2014-39

This revenue procedure updates and supersedes Revenue Procedure 2000-12 and provides further guidance for entering into a "qualified intermediaries" (QI) agreement with the Internal Revenue Service (IRS) under § 1.1441-1(e)(5) of the income tax regulations.

Section 2 of this revenue procedure provides a highlight of changes to the existing QI agreement (included in Revenue Procedure 2000-12, 2000-1 C.B. 387 (as amended)).

Section 3 of this revenue procedure describes the application procedures for becoming a qualified intermediary (QI).

The reporting requirements (information collection) are set out in Section 3.01 of Revenue Procedure 2000-12.

Section 4 of this revenue procedure provides the final qualified intermediary withholding agreement (QI agreement).

Revenue Procedure 2014-47

This revenue procedure provides instructions for entering into a “withholding foreign partnership” (WP) agreement, and a “withholding foreign trust” (WT) agreement with the Internal Revenue Service (IRS) under §§ 1.1441-5(c)(2)(ii) and (e)(5)(v).

Section 3 of revenue procedure 2014-47 provides the application procedures for becoming a withholding foreign partnership (WP) or withholding foreign trust (WT) and for renewing a WP agreement or WT agreement.

The information collection is defined in Section 3 of Revenue Procedure 2000-12.

The burden associated with the form SS-4 in under OMB control number 1545-0003.

Form 14345

Currently, Form 14345 is the application used by applicants for QIs.

**USE OF DATA**

The information will be used by the IRS to ensure compliance with the U.S. withholding system under the section 1441 regulations (especially proper entitlement to treaty benefits).

The information in the form will be used to determine whether or not to approve the entity for status as a QI, WP, or WT.

**USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998. Due to the relatively low filing volume, Form 14345 can be completely electronically, but electronic filing is unavailable as it's not practical or cost effective.

**EFFORTS TO IDENTIFY DUPLICATION**

The information obtained through this collection is unique and is not already available or use or adaption from another source.

**METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES**

There is no burden on small businesses or other small entities due to the inapplicability of the authorizing statute to this type of entity.

6. **CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

The information required is needed to verify compliance with Treasury Regulations. A less frequent collection of taxes and tax information could adversely affect the government's effectiveness and would reduce the oversight of the public in ensuring compliance with Internal Revenue Code and hinder the IRS from meeting its mission.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with Guidelines in 5 CFR 1320.5(d)(2).

8. **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

In response to the Federal Register notice dated March 19, 2018 (83 FR 12074), we received no comments during the comment period regarding these regulations.

9. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. **JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Business Master File, BMF" system and a Privacy Act System of Records notice (SORN) has been issued for this system under: Treas/IRS 24.046 Customer Account Data Engine Business Master File and Treas/IRS 34.047 Audit trail and security records system.

The Internal Revenue Service PIA's can be found at <https://www.irs.gov/uac/Privacy-Impact-Assessments-PIA> .

Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

## 12. ESTIMATED BURDEN OF INFORMATION COLLECTION

We estimate that approximately 3,000 persons will submit written applications via Form 14345, and that it will take approximately 1 hour, 20 minutes to complete each application on the average. **The total time estimate is 4,000 hours.**

A withholding agreement includes the QI's, WP's, or WT's obligations to obtain beneficial owner statements or documentation and report (or otherwise make available) beneficial owner information to the IRS under the agreement. Most of the collections of information contained in the revenue procedure will be reflected on the QI's Form W-8, Form 1042 and Form 1042S (where necessary to be filed), and the accompanying statements to these forms. However, there are some instances where the collections of information are not included, or provided for, in one of the previously-mentioned forms. These collections of information are as follows:

The agreement requires a QI, WP, or WT to provide any identifying information (e.g., name, address, or TIN) it may have regarding a U.S. payee that is required to, but does not, provide a Form 1099. We estimate that the QIs will have to provide this information for approximately 6,500 payees and that it will take approximately .25 hours to complete each submission of information. **The total time estimate is 1,625 hours.**

The agreement requires a QI, WP, or WT to obtain certain certifications and/or representations from non-individual payees claiming treaty benefits. We estimate that 88,379 non-individual payees will have to provide this information to the QIs, WPs, and WTs, and that each occurrence would take approximately an average of .50 hours. **The total time estimate is 44,190 hours.**

The agreement requires a QI, WP, or WT to maintain a record of the documentation received and reviewed for purposes of satisfying the terms of its withholding agreement. We estimate that the QIs, WPs, and WTs will have approximately 1,000,000 occurrences for record retention and that it will take approximately .25 hours per occurrence. **The total time estimate is 250,000 hours.**

The agreement requires a QI, WP, or WT (who does not assume primary withholding responsibility) to provide sufficient information to a withholding agent so that the withholding agent can make adjustments for any over-and-under withholding. We estimate that there will be approximately 100 QIs in this situation and that it will take approximately 12 hours per QI, WP, or WT to provide this information. **The total time estimate is 1,200 hours.**

The agreement requires a QI to give notice of termination to the IRS if it wishes to terminate the agreement. We estimate that approximately 12 QIs will submit this notification, and that it will take approximately .25 hours. **The total time estimate is 3 hours.**

Form	Description	Total Annual Responses	Hours Per Response	Total Burden
14345	Application for Qualified Intermediary, Withholding Foreign Partnership, or Withholding Foreign Trust Status	3,000	1 hr. 20 min.	4,000
	identifying information (e.g., name, address, or TIN) regarding a U.S. payee	6,500	.25	1,625
	certifications and/or representations from non-individual payees claiming treaty benefits	88,379	.50	44,190
	maintain a record of the documentation received and reviewed for purposes of satisfying the terms of its withholding agreement	1,000,000	.25	250,000
	sufficient information to a withholding agent so that the withholding agent can make adjustments for any over-and-under withholding	100	12	1,200
	notice of termination	12	.25	3
		1,097,991		301,018

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect a more precise estimate of burden and costs.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses	1,097,991	0	0	0	0	1,097,991
Annual Time Burden (Hr)	301,018	0	0	0	0	301,018

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

There are no plans for tabulation, statistical analysis, and publication.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form and/or regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions to the certification statement.

**Note:** The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.