

# Instructions for Completing Substitute Form W-8BEN (IRS Required Form)

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## Purpose of Form

This form is used by a foreign person to establish foreign status, to claim beneficial ownership of the income for which the form is being provided and, if applicable, to claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty.

## Definitions

**Beneficial owner.** For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651[a]) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

**Note: A payment to a U.S. partnership, U.S. trust or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust or estate should provide the withholding agent with a Form W-9.**

**Foreign person.** A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate and any other person that is not a U.S. person.

It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

## Specific Instructions for Part 1

**Line 4.** Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are giving Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. **Do not** show the address of a financial institution, a post office box or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

## Specific Instructions for Part 2

**Line 9a.** Enter the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty.

**Line 9c.** An entity (but not an individual) that is claiming a reduced rate of withholding under an income tax treaty must represent that it: (1) derives the item of income for which the treaty benefit is claimed and (2) meets the limitation on benefits provisions contained in the treaty, if any.

An item of income may be derived by either the entity receiving the item of income or by the interest holders in the entity or, in certain circumstances, by both. An item of income paid to an entity is considered to be derived by the entity only if the entity is not fiscally transparent under the laws of the entity's jurisdiction with respect to the item of income. An item of income paid to an entity shall be considered to be derived by the interest holder in the entity only if: (1) the interest holder is not fiscally transparent in its jurisdiction with respect to the item of income and (2) the entity is considered to be fiscally transparent under the laws of the interest holder's jurisdiction with respect to the item of income. An item of income paid directly to a type of entity specifically identified in a treaty as a resident of a treaty jurisdiction is treated as derived by a resident of that treaty jurisdiction.

If an entity is claiming treaty benefits on its own behalf, it should complete Form W-8BEN. If an interest holder in an entity that is considered fiscally transparent in the interest holder's

jurisdiction is claiming a treaty benefit, the interest holder should complete Form W-8BEN on its own behalf, and the fiscally transparent entity should associate the interest holder's Form W-8BEN with a Form W-8IMY completed by the entity.

To determine whether an entity meets the limitation of benefits provisions of a treaty, you must consult the specific provisions or articles under the treaties. Income tax treaties are available on the IRS website at [www.irs.gov](http://www.irs.gov).

**Note: If you are an entity that derives the income as a resident of a treaty country, you may check this box if the applicable income tax treaty does not contain a "limitation on benefits" article.**

**Change in Circumstances.** If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent or the payer within 30 days of the change and you **must** file a new W-8BEN or other appropriate form.

A change of address to an address in the U.S. is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the U.S. or outside the country where you have been claiming treaty benefits is a change in circumstances.

If you become a U.S. citizen or resident after you submit Form W-8BEN, you must notify the withholding agent or the payer within 30 days of becoming a U.S. citizen or resident. You may be required to provide a Form W-9.

**Expiration of Form W-8BEN.** Generally, a Form W-8BEN provided without a U.S. Taxpayer Identification Number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on January 10, 2001, remains valid through December 31, 2004.

A Form W-8BEN furnished with a TIN remains in effect until a change in circumstances makes any information on the form incorrect, provided that the withholding agent or payer reports on Form 1042-S at least one payment annually to the beneficial owner who provided the Form W-8BEN.

**For complete instructions or more information on the W-8 forms, please refer to the IRS website at [www.irs.gov](http://www.irs.gov). If you have any other questions regarding your application or account, please contact Schwab.**

# Substitute Form W-8BEN (IRS Required Form) Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

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Department of the Treasury, Internal Revenue Service

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- Section references are to the Internal Revenue Code.
- For complete instructions or more information on the W-8 forms, please refer to the Internal Revenue Service (IRS) website at www.irs.gov.
- Give this form to the withholding agent or payer. Do not send to the IRS.

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**Do not use this form for:**

**Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual . . . . . W-9
  - A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States . . . . . W-8ECI
  - A foreign partnership, a foreign simple trust, or a foreign grantor trust (See instructions for exceptions.) . . . . . W-8ECI or W-8IMY
  - A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895 or 1443(b). . . . . W-8ECI or W-8EXP
- Note: These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.
- A person acting as an intermediary . . . . . W-8IMY

Note: See IRS instructions for additional exceptions.

**Part 1. Identification of Beneficial Owner** (See instructions.) Important reminder: **Each** account holder must complete a separate W-8 form, unless the instructions above apply.

Account number required (unless new account)	
Home telephone number (country code) (city/area code) (number) / /	Business telephone number (country code) (city/area code) (number) / /
<b>1</b> Name of individual or organization that is the beneficial owner	<b>2</b> Country of incorporation or organization
<b>3</b> Type of beneficial owner (Select only one.): <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> International organization <input type="checkbox"/> Central bank of issue <input type="checkbox"/> Tax-exempt organization <input type="checkbox"/> Private foundation	
<b>4</b> Permanent residence address (street, apt. or suite number, or rural route). Do not use a P.O. box or an in-care-of address.	
City or town, state or province (Include postal code where appropriate.)	Country (Do not abbreviate.)
<b>5</b> Mailing address (If different from above. <b>If a U.S. address, see page 2.</b> )	
City or town, state or province (Include postal code where appropriate.)	Country (Do not abbreviate.)
<b>6</b> U.S. Taxpayer Identification Number, if required <input type="checkbox"/> Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) <input type="checkbox"/> Employer Identification Number (EIN)	<b>7</b> Foreign tax identifying number, if any (optional)
<b>8</b> Reference number(s)	

**Part 2. Claim of Tax Treaty Benefits** (Please complete to receive a lower tax treaty rate, if applicable.)

**9 I certify that** (Check all that apply):

- The beneficial owner is a resident of \_\_\_\_\_ within the meaning of the income tax treaty between the United States and that country.
- If required, the U.S. Taxpayer Identification Number is stated on line 6.
- The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits. (See IRS instructions.)
- The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status. (Please refer to IRS instructions.)
- The beneficial owner is related to the person obligated to pay the income within the meaning of Section 267(b) or Section 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

**10 Special rates and conditions** (if applicable—see IRS instructions): The beneficial owner is claiming the provisions of Article \_\_\_\_\_ of the treaty identified on line 9a above to claim a \_\_\_\_\_% rate of withholding on (specify type of income): \_\_\_\_\_

Explain the reasons the beneficial owner meets the terms of the treaty article: \_\_\_\_\_



**Part 3. Notional Principal Contracts**

11  I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

**Part 4. Certification**

Under penalties of perjury, I declare that I have examined the information on this form, and to the best of my knowledge and belief it is true, correct and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates;
- The beneficial owner is not a U.S. person;
- The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income; **and**
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt or custody of the income of which I am the beneficial owner, or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

<b>Signature Required</b>	<b>X</b> Signature of beneficial owner (or individual authorized to sign for the beneficial owner)	Capacity in which acting	Date
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If a U.S. address is specified on this W-8 form or used as a mailing, legal, alternate or business address on your account, please read the section below.

**SPECIAL ATTENTION FOR U.S. ADDRESSES**

**Important Information About Tax Withholding on Your Schwab Account**

**Each** account holder must complete a separate W-8 form. You may reproduce photocopies of the form, but original signatures are required from each account holder.

**Regulations Impacting Account Holders Using a U.S. Address**

Internal Revenue Service (IRS) regulations currently require Schwab, as your custodian, to secure additional documentation from foreign clients who disclose U.S. addresses in the following contexts:

- U.S. address used as your mailing, business or alternate address
- U.S. mailing address used to receive correspondence from Schwab (for example, account statements, trade confirmations, etc.)
- U.S. (mailing, legal, alternate or business) address used in any other context with your account

**Please note:** If the address noted on your account is outside the U.S., but you have instructed Schwab to forward any account-related information to another party (for example, a bank, CPA, relative, tax accountant, etc.) with a U.S. address, you (the account holder) are subject to this IRS rule.

This regulation is applicable whether or not you and/or a joint account holder list a U.S. address on your account. You may obtain more detailed information about this regulation by way of Publication 515 on the IRS website at [www.irs.gov](http://www.irs.gov).

If a U.S. address appears for any of the above reasons, the IRS requires that you **submit all** of the documentation listed below to Schwab together with your W-8 form. (Failure to provide Schwab with all the required documentation listed below may result in the maximum applicable tax withholding rate on your account[s].)

- A **letter** signed by **each** account holder stating the reason why a U.S. address is associated with the account
- Copies of a valid **government-issued identification** (ID), such as a passport, for **each** account holder
- An **official receipt** proving that **each** account holder resides outside the U.S.

The official receipt must feature **all** of the following information:

- It must be dated within the last three years.
- The name(s) indicated on the receipt must match those provided by the account holder(s) on each completed W-8 form.
- The country indicated on the receipt must match the account holder's country of residency as noted on each completed W-8 form (exact street addresses are not necessary).

Examples of an official receipt include:

- Utility bill
- Property receipts (tax, mortgage or rent)
- Bank statement
- Credit card statement

**Please note:** An official receipt must be provided for **each** account holder. An official receipt featuring the names of each account holder is acceptable. Please mail the completed W-8 form(s) and foreign residence documentation (if applicable) to the following address:

Attn: Global Operations  
 Charles Schwab & Co., Inc.  
 P.O. Box 2912  
 Phoenix, AZ 85062-2912  
 United States of America

Please call 1-877-686-1937 (inside the U.S.) or +1-415-667-5009 (outside the U.S.) if you have any questions.