



# CHOOSING YOUR ELECTRONIC W-8 SYSTEM

W-8  
9-W

Compliance Technologies International LLP

A Document Validation Software For a Paperless World

## OVERVIEW

CTI's E-W8™ application automates the solicitation, renewal and validation of electronic Forms W-8 and W-9. E-W8™ is ideal for those financial institutions with on-line banking or brokerage services and those wanting to reduce their ongoing paper solicitations and resolicitations. Expanding upon CTI's other form validation software tools (MD<sup>3</sup>™ and IPS™), the E-W8™ application utilizes a similar validation engine for the validation of Forms W-8 and W-9. Additionally the E-W8™ application integrates the documentation collection process into the client's existing online system or account opening process.

## IRS APPROVAL: MOU

IRS approval of an electronic W-8 software implementation is crucial for a successful electronic W-8 launch. The Memorandum of Understanding ("MOU") is the IRS's stamp of approval on an institution's electronic W-8 application and is a key part of completing an electronic W-8 initiative. The MOU gives you the confidence that the IRS supports your electronic W-8 application for the next eight years with CTI

## E-W8'S CORE COMPONENTS

- Interview Questions
- Resolicitation Module
- Substantial Presence Test
- Workflow Queues
- Change in Circumstance Logic
- Administrative Console
- Management Reports
- Queue Management
- MD<sup>4</sup> validation engine
- Paper Validation via MD<sup>3</sup>

providing planned tax technical updates as needed. CTI's E-W8™ application is designed to help navigate the MOU process as quickly and efficiently as possible. Using standardized questions in an interview format, CTI's E-W8™ application helps ease the burden of obtaining a MOU from the IRS by complying with not only the IRS regulations, but also the IRS's FAQ on E-W8™ implementations. No other electronic W-8 vendor can provide CTI's comprehensive electronic W-8 solution coupled with its "MOU centric" approach.

## CTI's E-W8™ TRUMPS THE COMPETITION

| Features  | CTI's E-W8 | Competitor |
|---|------------|------------|
| Validates forms and identifies those in need of manual review*  | ✓          | ✓          |
| Detects errors and discrepancies with information provided and other account information*                       | ✓          | ✓          |
| Electronic Signature and Electronic submission agreement*   | ✓          | ✓          |
| Tracks/Reports discrepancies and instances of manual review*  | ✓          | ✓          |
| Contains required W-8/W-9 information including penalties of perjury*   | ✓          | ✓          |
| Withholding Agent system integration and customization  | ✓          | ✓          |
| Seamless Queue Management for Manual Reviews  | ✓          | X          |
| Helps detect U.S. citizens, dual citizens and those subject to U.S. taxation*                                   | ✓          | X          |
| Incorporates Substantial presence test logic to eliminate the need for a written explanation for a U.S. address | ✓          | X          |
| Complies with all relevant statutes, regulations and published guidance*  | ✓          | X          |
| Available for all Form W-8's and the Form W-9   | ✓          | X          |
| Interview Format*   | ✓          | X          |
| Electronic W-8 solution for Financial Services Firms and MNCs   | ✓          | X          |

\*IRS QI FAQ - X. Obtaining Forms W-8 Online <http://www.irs.gov/businesses/international/article/0,,id=139238,00.html#10> (see also Regs. 51.1441.1(e)(4)(iv))

CTI's E-W8™ application offers industry leading performance and compliance to help your organization save money and time. Our solution provides standardized IRS requirements while allowing sufficient customization to meet your business needs. Additionally, our E-W8™ application will streamline your compliance process, eliminating excess administrative costs inherent in a pure paper process.

## OUR CLIENT EXPERIENCES

Our clients, including banks, broker dealers (online/traditional), and multinational corporations, say that an investment in the E-W8™ application pays for itself within two years. In fact, one client was able to successfully process sixty thousand forms in under a month! On average our clients reduce manual validation efforts by 75% and have estimated that CTI's E-W8™ application pays for itself within two years by reducing compliance costs including soliciting, re-soliciting, validating, imaging, and storing Forms W-8. Moreover, CTI has designed and/or built electronic W-8 solutions for over sixty clients for whom CTI has sought and/or secured a MOU from the IRS. Let CTI show you how the E-W8™ application can reduce your costs and improve your compliance with the

1441 regulations.



## ABOUT US

CTI is the source for tax withholding and information return reporting compliance needs. CTI has a strong team of highly experienced international and domestic tax professionals, ranging from lawyers and accountants to software engineers and operations experts located in Boston, Los Angeles, New York, Washington D.C., and London. CTI is the leader in cutting edge global tax technology, consulting and outsourcing services specializing in tax withholding and information return reporting.

CTI prides itself in being different. Our unique set of experience, personnel and resources keeps our clients ahead of the curve. Eight of the world's top financial institutions depend on us to be compliant. Shouldn't you?

## CONTACT US

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Compliance Technologies International

For more information on our Validation Software, or any other products in the 1441 Compliance System™, please visit us on the web at [www.cticompliance.com](http://www.cticompliance.com)

### 1441 COMPLIANCE SYSTEM™

