



IPSTM

INTERMEDIARY PROCESSING SOFTWARE

Compliance Technologies International LLP

Intermediary Processing Software

WHAT IS IPSTM?

CTI's Intermediary Processing Software ("IPSTM") allows Withholding Agents comply with IRC § 1441 and the regulations thereunder and manage qualified intermediaries ("QIs"), underlying beneficial owners of non-qualified intermediaries ("NQIs"), and flow-through entity clients. IPSTM can maintain an infinite number of tiers of NQIs.

IPSTM is a comprehensive compliance software application that includes the following features:

- A Document Validation Tool;
- Validation of intermediary and underlying beneficial owner documentation; and
- Capturing of Forms W-8 and W-9 details electronically.

A Document Management System

- Automates the administration of beneficial owner documentation;
- Maintains electronic details of the Forms W-8 and W-9;
- Monitors expiration of Forms W-8; and
- Assists in re-soliciting expiring Forms W-8.

A Sub-Accounting Structure

- Receives withholding statements and sets up an account for each QI pool or each underlying beneficial owner in relationship to its NQI or flow-through entity.

A Payment Allocation Tool

- Receives and automates income allocations to each underlying beneficial owner of an NQI or flow-through entity in the sub-accounting structure.

A Tax Withholding Utility

- Calculates the withholding tax rate at the QI pool or takes a feed from CTI's Tax Withholding Software* or the client's withholding engine that provides the tax rate for each payment at the beneficial owner level based on documentation provided;
- Applies the presumptions to determine the tax withholding rate if beneficial owner documentation is lacking; and
- Provides one blended rate per payment at the NQI or flow-through entity level to upstream core systems.

An Information Return Reporting Utility

- Maintains a history of all payment records and tax withheld at the QI pool or beneficial owner level; and
- Generates extracts to assist with preparing Forms 1042-S and 1099 recipient statements at the beneficial owner level for third party tax reporting applications including CTI's Tax Reporting Software*.

An Interface Utility

- Integrates with payment and corporate action systems by providing and receiving data in table format;
- Integrates seamlessly into existing client infrastructures; and
- Integrates with third party tax withholding and reporting tools.

WHY USE IPS™?

- This software leverages various components of the 1441 Compliance System™.
- The 1441 Compliance System™ has been in the marketplace for almost a decade and its tools are widely used by major banks, broker-dealers, online broker-dealers, and multi-national corporations.
- IPS™ is a tax current software that is maintained and updated by CTI's subject matter experts in consultation with Burt, Staples & Maner, LLP.
- IPS™ eliminates the need for manual and one-off processes.
- IPS™ is a comprehensive end to end solution for managing QI, NQI, and flow-through entity clients.

* CTI's Tax Withholding Software and Tax Reporting Software can be licensed in addition to IPS.

For more information on IPS™, or any other products in the 1441 Compliance System™, please call us at 202 783-1553 or visit us on the web at www.cticompliance.com