



INTERMEDIARY PROCESSING SOFTWARE

Compliance Technologies International LLP

Intermediary Processing Software

WHAT IS IPS?

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

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

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

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;
- Generates extracts to assist with the preparation of Forms 1042-S and 1099 recipient statements at the beneficial owner level to be utilized by 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.
- 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 timeless software that is maintained and updated by CTI's subject matter experts in consultation with Burt, Staples & Maner, LLP.
- This software 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 the Intermediary Processing Software, 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