



Information Reporting & Withholding (“IRW”) Advisory



Deloitte’s Global Information Reporting (“GIR”) practice is comprised of professionals with extensive tax technical knowledge and experience with process and technology. Our IRW Advisory services will help you analyze the impact of Chapters 3, 4 and 61 of the Internal Revenue Code and assist with compliance of these rules.

Why now?

- Organizations often fail to address withholding and reporting requirements related to vendor payables, especially with respect to cross border payments.
- Recent transitional relief issued with respect to FATCA specifically excludes relief for non-compliance with the rules governing withholding and reporting in the vendor payable area.
- The Internal Revenue Service has made a significant investment in the enforcement of information reporting requirements and has increased penalties for failure to comply.

What is the impact?

- Non-compliance may create significant tax exposure. A withholding agent may be responsible for the entire withholding tax liability, up to 30 percent of amounts paid to non-resident aliens as well as penalties and interest.
- An organization that is not able to demonstrate compliance with Chapter 3 and 61 may not be able to show “good faith effort” with FATCA compliance.

Who can benefit?



- All U.S. organizations that make payments to foreign and/or domestic payees and that are required to collect tax documentation, properly classify the character and source of the payments, and determine the amount of tax that might be withheld
- All foreign entities that receive payments from U.S. sources must provide proper documentation in order to avoid withholding
- Types of payments that fall into this area include: dividends, interest, services, rents, royalties, fees, and freight

Deloitte service highlights

Deloitte's IRW advisory team consists of a dedicated team of a global, focused and multidisciplinary team which utilizes a phased approach in developing a broad range of services to assist organizations including:

- Gap analyses - review of current processes and procedures and identification of gaps in compliance
- Gap remediation – stat sampling, collecting required documentation
- Readiness assessment
- Advisory related to voluntary disclosures
- Advice & assistance in preparation for audits
- Qualified Intermediary (“QI”), Withholding Foreign Partnership (“WFP”) and Withholding Foreign Trust (“WFT”) applications along with development of process and procedure manuals for these type of entities; includes advisory services for QIs
- Tax controversy related to information reporting and withholding
- Assist clients with compliance program, training and performing periodic reviews

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Why Deloitte?

By reducing manual tasks and addressing risks, Deloitte's GIR team can provide strategic value to the company's processes necessary to facilitate cross-border withholding and information reporting requirements by delivering:

- A focused and flexible approach to assist with your organization's particular needs and circumstances
- A globally connected, multidisciplinary team with technology and tax technical skills including deep industry knowledge and insights into key regulatory trends affecting information reporting
- Broad range eminence in the marketplace; thought leadership
- Established Centers of Excellence involving integrated teams in the U.S. and India that are experienced in engagements of all sizes
- A view into recent technologies and software products, plus insight on how they work in different finance and tax environments
- Well-developed process and procedure manuals and accelerators to perform impact analyses and assistance with transition from impact analysis to implementation

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