

# IMPORTANT

## Year-end tax reporting and withholding **ACTIONS**

Following are a few important, but critical steps to take at year end and during the first quarter of the new year to prepare for filing annual tax information returns:

### 1 Evaluate the impact of changes and new developments to your 1099 and 1042 processes



**BY DEC. 31**

- Reallocate resources or outsource preparation of returns to manage increased risk associated with higher volumes of information returns expected this year due to changes in the rules
- Request a new transmitter control code (TCC) and be prepared to file information returns electronically starting Jan. 1, 2024, as required under new rules if filing 10 or more returns and for certain returns such as Form 1042
- Evaluate your obligation to file Beneficial Owner Information (BOI) reports as required under the new Corporate Transparency Act (CTA)
- Request budget for developing systems and procedures for tracking cost-basis of digital assets as required under newly proposed digital asset regulations

### 2 Review your structure and register entities that are foreign financial institutions (FFIs) under FATCA as needed



**NOV. 1 – JAN. 31**

- Register new funds or entities launched during the calendar year that are FFIs
- De-register FFIs that were liquidated, sold or dissolved during the calendar year
- Review your overall structure to confirm the FATCA and CRS filing obligations of entities in the group

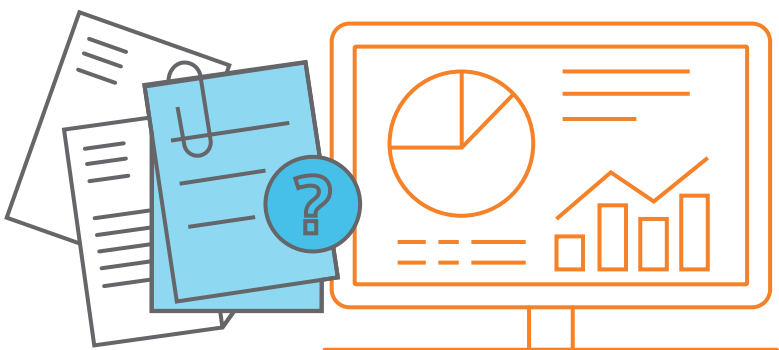
### 3 Review tax withholding certificates and refresh any expired forms as needed



**NOV. 1 – JAN. 31**

- Request new W-8 forms from any vendors, customers, or investors with forms that are invalid, or more than three years old
- Analyze forms on record to proactively determine lead time needed to request and receive forms before they expire
- Financial institutions in countries that have adopted the Common Reporting Standard (CRS) reports or implemented FATCA must also collect self-certification forms from investors or account holders

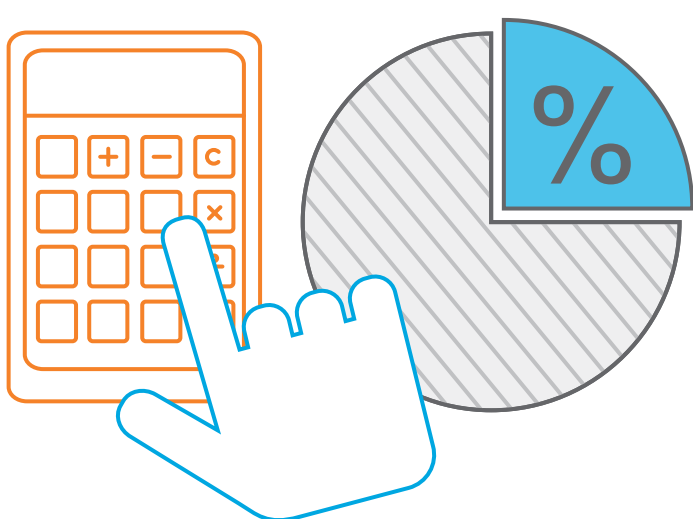
### 4 Submit any unfiled 1042, 1042-S, 1099, FATCA or CRS reports



**BY DEC. 31 or ASAP**

- Check out the IRS' new procedures for filing delinquent information returns
- Determine whether making a voluntary disclosure to the IRS is appropriate for you
- If you've received a notice from the IRS, consult your tax advisor to determine what options are available for penalty abatement

### 5 Perform a rapid assessment to identify gaps in your processes



**NOV. 1 – FEB 1**

- Consider performing an assessment to quickly identify gaps in your processes and areas with high risk that can be addressed early in the year, or within a short time frame
- Identify high-risk business areas in your organization with processes affecting tax reporting and withholding obligations (such as accounts payable, onboarding, tax or treasury)
- Test the operating effectiveness of controls for collecting and reviewing tax withholding certificates, for identifying payments subject to reporting, and for timely withholding and depositing taxes
- Develop a short-term plan to remediate prioritized gaps before year-end or within 90 days