



Instructions for Form W-8EXP

(Rev. February 2006)

Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Note. For definitions of terms used throughout these instructions, see *Definitions* on pages 2 and 3.

Purpose of form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of interest (including certain original issue discount (OID)), dividends, rents, premiums, annuities, compensation for, or in expectation of, services performed, or other fixed or determinable annual or periodical gains, profits, or income. This tax is imposed on the gross amount paid and is generally collected by withholding under section 1441 or 1442 on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person for the benefit of the beneficial owner.

Foreign persons are also subject to tax at graduated rates on income they earn that is considered effectively connected with a U.S. trade or business. If a foreign person invests in a partnership that conducts a U.S. trade or business, the foreign person is considered to be engaged in a U.S. trade or business. The partnership is required to withhold tax under section 1446 on the foreign person's distributive share of the partnership's effectively connected taxable income.

If you receive certain types of income, you must provide Form W-8EXP to:

- Establish that you are not a U.S. person,
- Claim that you are the beneficial owner of the income for which Form W-8EXP is given, and
- Claim a reduced rate of, or exemption from, withholding as a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession.

In general, payments to a foreign government (including a foreign central bank of issue wholly-owned by a foreign sovereign) from investments in the United States in stocks, bonds, other domestic securities, financial instruments held in the execution of governmental financial or monetary policy, and interest on deposits in banks in the United States are exempt from tax under section 892 and exempt from withholding under sections 1441 and 1442. Payments other than those described above, including income derived in the U.S. from the conduct of a commercial activity, income received from a controlled commercial entity (including gain from the disposition of any interest in a controlled commercial entity), and income received by a controlled commercial entity, do not qualify for exemption from tax under section 892 or exemption from withholding under

sections 1441 and 1442. See Temporary Regulations section 1.892-3T. In addition, certain distributions to a foreign government from a real estate investment trust (REIT) may not be eligible for relief from withholding and may be subject to withholding at 35% of the gain realized. For the definition of "commercial activities," see Temporary Regulations section 1.892-4T.

Amounts allocable to a foreign person from a partnership's trade or business in the United States are considered derived from a commercial activity in the United States. The partnership's net effectively connected taxable income is subject to withholding under section 1446.

In general, payments to an international organization from investment in the United States in stocks, bonds and other domestic securities, interest on deposits in banks in the United States, and payments from any other source within the United States are exempt from tax under section 892 and exempt from withholding under sections 1441 and 1442. See Temporary Regulations section 1.892-6T. Payments to a foreign central bank of issue (whether or not wholly owned by a foreign sovereign) or to the Bank for International Settlements from obligations of the United States or of any agency or instrumentality thereof, or from interest on deposits with persons carrying on the banking business, are also generally exempt from tax under section 895 and exempt from withholding under sections 1441 and 1442. In addition, payments to a foreign central bank of issue from bankers' acceptances are exempt from tax under section 871(i)(2)(C) and exempt from withholding under sections 1441 and 1442. Effectively connected income or gain from a partnership conducting a trade or business in the United States may be subject to withholding under section 1446.

Payments to a foreign tax-exempt organization of certain types of U.S. source income are also generally exempt from tax and exempt from withholding. Gross investment income of a foreign private foundation, however, is subject to withholding under section 1443(b) at a rate of 4%. Effectively connected income or gain from a partnership conducting a trade or business in the United States may be subject to withholding under section 1446.

Payments to a government of a possession of the United States are generally exempt from tax and withholding under section 115(2).

To establish eligibility for exemption from 30% tax and withholding, a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession must provide a Form W-8EXP to a withholding agent or payer with all

necessary documentation. The withholding agent or payer of the income may rely on a properly completed Form W-8EXP to treat the payment, credit, or allocation associated with the Form W-8EXP as being made to a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession exempt from withholding at the 30% rate (or, where appropriate, subject to withholding at a 4% rate).

Provide Form W-8EXP to the withholding agent or payer before income is paid, credited, or allocated to you. Failure by a beneficial owner to provide a Form W-8EXP when requested may lead to withholding at the 30% rate, the backup withholding rate, or the rate applicable under section 1446.

Additional information. For additional information and instructions for the withholding agent, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

Who must file. You must give Form W-8EXP to the withholding agent or payer if you are a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession. Submit Form W-8EXP whether or not you are claiming a reduced rate of, or exemption from, U.S. tax withholding.

Do not use Form W-8EXP if:

- You are not a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or Form W-8ECI, Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States. For example, if you are a foreign tax-exempt organization claiming a benefit under an income tax treaty, provide Form W-8BEN.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States. Instead, provide Form W-8ECI.
- You are a tax-exempt organization receiving unrelated business taxable income subject to withholding under section 1443(a). Instead, provide Form W-8BEN or Form W-8ECI for this portion of your income.
- You are a foreign partnership, a foreign simple trust, or a foreign grantor trust. Instead, provide Form W-8ECI or Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding. However, a foreign grantor trust is required to provide documentation of its grantor or other owner for purposes of section 1446. See Regulations section 1.1446-1.
- You are acting as an intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.

Giving Form W-8EXP to the withholding agent. Do not send Form W-8EXP to the IRS. Instead, give it to the person who is requesting it from you. Generally, this person will be the one from whom you receive the payment, who credits your account, or a partnership that

allocates income to you. Generally, a separate Form W-8EXP must be given to each withholding agent.

Give Form W-8EXP to the person requesting it before the payment is made, credited, or allocated to you or your account. If you do not provide this form, the withholding agent may have to withhold tax at the 30% rate, the backup withholding rate, or the rate applicable under section 1446. If you receive more than one type of income from a single withholding agent, the withholding agent may require you to submit a Form W-8EXP for each different type of income.

Change in circumstances. If a change in circumstances makes any information on the Form W-8EXP you have submitted incorrect, you must notify the withholding agent within 30 days of the change in circumstances and you must file a new Form W-8EXP or other appropriate form.

Expiration of Form W-8EXP. Generally, a Form W-8EXP filed without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year. However, in the case of an integral part of a foreign government (within the meaning of Temporary Regulations section 1.892-2T(a)(2)) or a foreign central bank of issue, a Form W-8EXP filed without a U.S. TIN will remain in effect until a change in circumstances makes any of the information on the form incorrect. A Form W-8EXP furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect provided that the withholding agent reports on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, at least one payment annually to the beneficial owner.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign

complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

These beneficial owner rules apply primarily for purposes of withholding under sections 1441 and 1442. The rules also generally apply for purposes of section 1446, with a few exceptions. See Regulations section 1.1446-1 for instances where the documentation requirements of sections 1441 and 1442 differ from section 1446.

Foreign person. A foreign person includes a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, foreign estate, foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Foreign government. A foreign government includes only the integral parts or controlled entities of a foreign sovereign as defined in Temporary Regulations section 1.892-2T.

An integral part of a foreign sovereign, in general, is any person, body of persons, organization, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a foreign country. The net earnings of the governing authority must be credited to its own account or to other accounts of the foreign sovereign, with no portion benefiting any private person.

A controlled entity of a foreign sovereign is an entity that is separate in form from the foreign sovereign or otherwise constitutes a separate juridical entity only if:

- It is wholly owned and controlled by the foreign sovereign directly or indirectly through one or more controlled entities.
- It is organized under the laws of the foreign sovereign by which it is owned.
- Its net earnings are credited to its own account or to other accounts of the foreign sovereign, with no portion of its income benefiting any private person.
- Its assets vest in the foreign sovereign upon dissolution.

A controlled entity also includes a pension trust defined in Temporary Regulations section 1.892-2T(c) and may include a foreign central bank of issue to the extent that it is wholly owned by a foreign sovereign.

A foreign government must provide Form W-8EXP to establish eligibility for exemption from withholding for payments exempt from tax under section 892.

International organization. An international organization is any public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288(f)). In general, to qualify as an international organization, the United States must participate in the organization pursuant to a treaty or under the authority of an Act of Congress authorizing such participation.

Amounts exempt from tax under section 892. Only a foreign government or an international organization as defined above qualifies for exemption from taxation under section 892. Section 892 generally excludes from gross income and exempts from U.S. taxation income a foreign government receives from investments in the United States in stocks, bonds, or other domestic securities; financial instruments held in the execution of governmental financial or monetary policy; and interest on deposits in banks in the United States of monies belonging to the foreign government. Income of a foreign government from any of the following sources is not exempt from U.S. taxation.

- The conduct of any commercial activity.
- A controlled commercial entity.
- The disposition of any interest in a controlled commercial entity.

For the definition of “commercial activity,” see Temporary Regulations section 1.892-4T.

Section 892 also generally excludes from gross income and exempts from U.S. taxation income of an international organization received from investments in the United States in stocks, bonds, or other domestic securities and interest on deposits in banks in the United States of monies belonging to the international organization or from any other source within the United States.

Controlled commercial entity. A controlled commercial entity is an entity engaged in commercial activities (whether within or outside the United States) if the foreign government holds:

- Any interest in the entity that is 50% or more of the total of all interests in the entity, or
- A sufficient interest or any other interest in the entity which provides the foreign government with effective practical control of the entity.

An entity includes a corporation, a partnership, a trust (including a pension trust) and an estate. A partnership’s commercial activities are attributable to its general and limited partners for purposes of section 892. The partnership’s activities will result in the partnership having to withhold tax under section 1446 on the effectively connected taxable income allocable to a foreign government partner.

Note. A foreign central bank of issue will be treated as a controlled commercial entity only if it engages in commercial activities within the United States.

Foreign central bank of issue. A foreign central bank of issue is a bank that is by law or government sanction the principal authority, other than the government itself, to issue instruments intended to circulate as currency. Such a bank is generally the custodian of the banking reserves of the country under whose law it is organized. For purposes of section 895, the Bank of International Settlements is treated as though it were a foreign central bank of issue.

A foreign central bank of issue must provide Form W-8EXP to establish eligibility for exemption from withholding for payments exempt from tax under either section 892 or section 895.

Amounts exempt from tax under section 895. Section 895 generally excludes from gross income and exempts from U.S. taxation income a foreign central bank of issue receives from obligations of the United States (or of any agency or instrumentality thereof) or from interest on

deposits with persons carrying on the banking business unless such obligations or deposits are held for, or used in connection with, the conduct of commercial banking functions or other commercial activities of the foreign central bank of issue.

Amounts subject to withholding. Generally, an amount subject to withholding under section 1441 or 1442 is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as original issue discount (OID)), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

Income is subject to withholding under section 1446 if the income is effectively connected with a partnership's trade or business in the United States and is allocable to a foreign person.

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) an amount subject to withholding to the foreign person (or to its agent) must withhold.

Specific Instructions

Part I

Before completing Part I, complete the Worksheet for Foreign Governments, International Organizations, and Foreign Central Banks of Issue on page 6 to determine whether amounts received are or will be exempt from U.S. tax under section 892 or 895 and exempt from withholding under sections 1441 and 1442. Use the results of this worksheet to check the appropriate box in Part II. Do not give the worksheet to the withholding agent. Instead, keep it for your records.

Line 1. Enter the full name of the organization.

Line 2. Enter the country under the laws of which the foreign government or other foreign organization was created, incorporated, organized, or governed.

Line 3. Check the one box that applies. A foreign central bank of issue (wholly owned by a foreign sovereign) should check the "Foreign government" box.

Line 4. The permanent address of a foreign government, international organization, or foreign central bank of issue is where it maintains its principal office. For all other organizations, the permanent address is the address in the country where the organization claims to be a resident for tax purposes. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes.

Line 5. Enter the mailing address only if it is different from the address shown on line 4.

Line 6. A U.S. taxpayer identification number (TIN) means an employer identification number (EIN). A U.S. TIN is generally required if you are claiming an exemption or reduced rate of withholding based solely on your claim of tax-exempt status under section 501(c) or private foundation status. Use Form SS-4, Application for Employer Identification Number, to obtain an EIN.

Line 7. If the country of residence for tax purposes has issued the organization a tax identifying number, enter it here.

Line 8. This line may be used by the filer of Form W-8EXP or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. A filer may use line 8 to include the name and number of the account for which the filer is providing the form.

Part II

Line 9. Check box 9a and box 9b or box 9c, whichever applies. Enter the name of the foreign sovereign's country on line 9b (if the entity is an integral part of a foreign government) or on line 9c (if the entity is a controlled entity). A central bank of issue (wholly owned by a foreign sovereign) should check box 9c.

Line 10. Check this box if you are an international organization. By checking this box, you are certifying to all the statements made in line 10.

Line 11. Check this box if you are a foreign central bank of issue not wholly owned by a foreign sovereign. By checking this box, you are certifying to all the statements made in line 11.

Line 12. Check the appropriate box if you are a foreign tax-exempt organization.



If you are a foreign tax-exempt organization, you must attach a statement setting forth any income that is includible under section 512 in computing your unrelated business taxable income.

Box 12a. Check this box if you have been issued a determination letter by the IRS. Enter the date of the IRS determination letter.

Box 12b. Check this box if you do not have an IRS determination letter, but are providing an opinion of U.S. counsel concluding that you are an organization described in section 501(c).

Box 12c. If you are a section 501(c)(3) organization, check this box if you are not a private foundation. You must attach to the withholding certificate an affidavit setting forth sufficient facts concerning your operations and support to enable the IRS to determine that you would be likely to qualify as an organization described in section 509(a)(1), (2), (3), or (4). See Rev. Proc. 92-94, 1992-2 C.B. 507, section 4, for information on affidavit preparation of foreign equivalents of domestic public charities.

Box 12d. Check this box if you are a section 501(c)(3) organization and you are a private foundation described in section 509.

Line 13. Check this box if you are a government of a U.S. possession. By checking this box you are certifying to the statements made in line 13.

Part III

Form W-8EXP must be signed and dated by an authorized official of the foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession, as appropriate.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal

Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 7 hr., 10 min.; **Learning about the law or the form**, 5 hr., 28 min.; **Preparing and sending the form to IRS**, 5 hr., 49 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can email us at **taxforms@irs.gov*. Please put "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send Form W-8EXP to this office. Instead, give it to your withholding agent.

WORKSHEET FOR FOREIGN GOVERNMENTS, INTERNATIONAL ORGANIZATIONS, AND FOREIGN CENTRAL BANKS OF ISSUE

(Do not give to the withholding agent. Keep for your records.)

Complete this worksheet to determine whether amounts received are or will be exempt from United States tax under section 892 or section 895 and exempt from withholding under sections 1441 and 1442.

- Foreign governments and foreign central banks of issue, start with question 1.
- International organizations, go directly to question 6.

FOREIGN GOVERNMENT	Yes	No
1 a Is the foreign government an integral part of a foreign sovereign (see Definitions)? (If "Yes," go to question 4. If "No," answer question 1b.)	<input type="checkbox"/>	<input type="checkbox"/>
b Is the foreign government a controlled entity of a foreign sovereign (see Definitions)? (If "Yes," answer question 2a. If "No," go to question 7a.)	<input type="checkbox"/>	<input type="checkbox"/>
2 a Is the controlled entity a foreign central bank of issue (see Definitions)? (If "Yes," answer question 2b. If "No," go to question 3.)	<input type="checkbox"/>	<input type="checkbox"/>
b Is the foreign central bank of issue engaged in commercial activities within the United States? (If "Yes," answer question 7a. If "No," go to question 4.)	<input type="checkbox"/>	<input type="checkbox"/>
3 Is the controlled entity engaged in commercial activities anywhere in the world? (If "Yes," income is not exempt from tax under section 892 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question 4.)	<input type="checkbox"/>	<input type="checkbox"/>
4 Does the foreign government or foreign central bank of issue (wholly owned by the foreign sovereign) receive income directly or indirectly from any controlled commercial entities or income derived from the disposition of any interest in a controlled commercial entity (see Definitions)? (If "Yes," income is not exempt from tax under section 892 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question 5.)	<input type="checkbox"/>	<input type="checkbox"/>
5 Is any of the income received by the foreign government or foreign central bank of issue (wholly owned by the foreign sovereign) from sources other than investments in the United States in stocks, bonds, other domestic securities (as defined in Temporary Regulations section 1.892-3T(a)(3)), financial instruments held in the execution of governmental financial or monetary policy (as defined in Temporary Regulations section 1.892-3T(a)(4) and (a)(5)), or interest on deposits in banks in the United States? (If "Yes," income is not exempt from tax under section 892 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," check the appropriate box on line 9 of Form W-8EXP.)	<input type="checkbox"/>	<input type="checkbox"/>
INTERNATIONAL ORGANIZATION	Yes	No
6 Is the international organization an organization in which the United States participates pursuant to any treaty or under an Act of Congress authorizing such participation and to which the President of the United States has issued an Executive Order entitling the organization to enjoy the privileges, exemptions, and immunities provided under the International Organization Immunities Act (22 U.S.C. 288, 288e, 288f)? (If "Yes," check the box on line 10 of Form W-8EXP. If "No," income may be subject to withholding. Do not complete this form for such income. Instead, complete Form W-8BEN or W-8ECI.)	<input type="checkbox"/>	<input type="checkbox"/>
FOREIGN CENTRAL BANK OF ISSUE	Yes	No
7 a Is the entity, whether wholly or partially owned by the foreign sovereign, a foreign central bank of issue? (If "Yes," answer question 7b. If "No," income is not exempt from tax under section 895 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI.)	<input type="checkbox"/>	<input type="checkbox"/>
b Is the income received by the foreign central bank of issue from sources other than obligations of the United States (or any agency or instrumentality thereof) or from interest on deposits with persons carrying on the banking business? (If "Yes," income is not exempt from tax under section 895 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question 7c.)	<input type="checkbox"/>	<input type="checkbox"/>
c Are the obligations of the United States (or any agency or instrumentality thereof) or bank deposits owned by the foreign central bank of issue held for, or used in connection with, the conduct of commercial banking functions or other commercial activities by the foreign central bank of issue? (If "Yes," income is not exempt from tax under section 895 and may be subject to withholding. Do not complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," check the box on line 11 of Form W-8EXP.)	<input type="checkbox"/>	<input type="checkbox"/>