

Foreign Entities and W-8 Forms

As a withholding agent, Kennesaw State University is required by the IRS to collect the appropriate W-8 form from any foreign entity to establish the entity's foreign status. These forms are a direct result of government regulations associated with the Foreign Account Tax Compliance Act ([FATCA](#)). In addition to the payment details provided when transactions are being processed to a foreign entity, these forms will help determine the appropriate tax withholding or exemption necessary for any U.S.- sourced income being paid.

W-8BEN-E:

The W-8BEN-E is the most commonly used W-8 form, which is only to be completed by foreign entities, not individuals. This form contains approximately 30 parts. Since Kennesaw State University is not a financial institution, only a few parts are required to be completed before KSU is able to issue payments to a foreign entity. However, other parts might also be necessary when conducting business with other withholding agents. As such, you may need to seek legal guidance from a tax professional outside of KSU with specific business use inquiries. Form W-8BEN-E is valid three years from when it was signed, unless a change in circumstances makes the information provided on the form W-8BEN-E inaccurate. [Form W-8BEN-E and Instructions.](#)

At a minimum for Kennesaw State University, foreign entities **must complete Parts I, III (if the benefit of an eligible tax treaty is being claimed), and XXX. If any required field is not complete as indicated below, the W-8BEN-E is considered invalid and will be rejected.**

Part I – Identification of Beneficial Owner, requires the foreign entity to identify the beneficial owner of the payment, including: name, address, entity type, FATCA status, and US and/or Foreign Taxpayer Identification Number (TIN):

- **Line 1:** Organization name
 - **Line 2:** Country where the organization was incorporated (corporations) or located (other entities)
 - **Line 4:** Organization status (Chapter 3): select the appropriate status
 - **Line 5:** Organization status (Chapter 4): select the appropriate status
- Note:** The status chosen on this line will determine the appropriate Part IV-XXVII which must be completed. While KSU cannot provide tax advice to its suppliers, and each foreign entity must accurately determine the appropriate Chapter 4 Status to be reported in Part I- Line 5, the following foreign entity statuses are most heavily represented within KSU's supplier customer base:
- Foreign government, government of a U.S. possession, or foreign central bank of issue. Complete Part XIII.
 - International organization. Complete Part XIV.
 - 501(c) organization. Complete Part XXI.
 - Nonprofit organization. Complete Part XXII.

- Publicly traded NFFE (Non-Financial Foreign Entity) or NFFE affiliate of a publicly traded corporation. Complete Part XXIII.
 - Active NFFE. Complete Part XXV.
- **Line 6:** Permanent, physical address within the country your organization claims tax residency.
Note: Street address, city, town, state or province, and postal code (if available), and country are required. If you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office. **You cannot use a P.O. box, in-care-of address, or an address used solely for mailing purposes unless it is the only address you use and it appears within your organizational documents (that is, your registered address). Your form will be deemed invalid.**
 - **Line 8 and/or 9b** US/Foreign Tax Identification Number (TIN)
 - Line 8 (US TIN) should be completed if the entity has a US TIN
 - Line 9b (Foreign TIN) should be completed if the entity has a Foreign TIN**Note:** A US or Foreign TIN is **required** to claim the benefits of a tax treaty

Part III – Claim of Tax Treaty Benefits, must be completed if the foreign entity is attempting to claim eligibility under a valid tax treaty article, seeking a reduction or exemption to tax withholding on payments issued by Harvard University. Please review [IRS Tax Treaty Tables](#).

- **Line 14:** Claim of Tax Treaty Benefits
 - a: Name of country where foreign entity is a tax resident (if tax treaty exists between US and that country)
 - **b: The first box (the box immediately after "b." and preceding the text)** must be marked if claiming tax treaty benefits on payments issued by Harvard University
 - If the tax treaty benefit claimed is subject to a Limitation of Benefits (LOB) provision, that appropriate box must be checked.**Note:** The IRS has published a list of LOB articles within [Tax Treaty Table 4](#).
- **Line 15:** If claiming a tax treaty benefit, there are three additional lines that must be completed:
 - The Article and Paragraph number of the Tax Treaty between the US and the country listed on Line 14a under which the benefit is claimed;
 - The reduced rate of withholding under the tax treaty;
 - The type of income expected to be paid by Harvard University**Note:** if the tax treaty includes additional conditions which must also be met in order to claim the reduced rate of withholding, the foreign entity must indicate how it has met such additional conditions in the space provided.

Part XXX – Certification, is stating that the signatory of the W-8BEN-E is empowered to sign on behalf of the foreign entity.

- **SIGN HERE:** A physical (non-electronic) signature is required by a person authorized to sign on behalf of the foreign organization.
 - Electronic signatures by a person authorized to do so are only acceptable if they also include a time/date stamp, and
 - An accompanying statement that indicates the form has been electronically signed.
 - Simply typing your name into the signature line is not an electronic signature and is not considered valid.
- **PRINT NAME:** Printed name of the person who has signed the Form W-8BEN-E
- **DATE:** Date of signature in the required format of Month/Day/Year
- **The box under the signature line must also be checked by the signatory, further certifying their legal capacity in signing.**

*****Please consult with a tax professional outside of Harvard University regarding the proper completion of Form W-8BEN-E. The materials contained herein does not constitute tax, legal, or accounting advice.*****

Additional Information on other W-8 Forms for foreign entities:

- **Forms W-8EXP and W-8ECI-** Are used less often than form W-8BEN-E:
 - **Form W-8EXP-** Generally used for payments to foreign governments, tax-exempt organizations, and other similar entity types. If the foreign entity indicates that it's a foreign tax-exempt organization claiming tax exemption under U.S. tax law, then they must also provide an accompanying IRS determination letter (or a letter of opinion from a U.S. attorney), attesting that the organization would likely obtain tax-exempt status from the IRS. Additionally, they must also provide a U.S. taxpayer identification number on Form W-8EXP. [Form W-8-EXP and Instructions](#).
 - **Form W-8ECI-** Generally used for payments of income to a foreign entity, which are effectively connected with a trade or business within the US. [Form W-8-ECI and Instructions](#).