



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9890]

RIN 1545-BN73, 1545-BN74, 1545-BO23, 1545-BN79, 1545-BO30

Regulations Relating to Withholding and Reporting Tax on Certain U.S. Source Income Paid to Foreign Persons; Correcting Amendment

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9890) that were published in the **Federal Register** on Thursday, January 2, 2020. The final regulations provide guidance on certain due diligence and reporting rules applicable to persons making certain U.S. source payments to foreign person and guidance on certain aspects of reporting by foreign financial institutions on U.S. accounts.

DATES: This correction is effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and is applicable to taxable years that begin on or after January 6, 2017.

FOR FURTHER INFORMATION CONTACT: John Sweeney at (202) 317- 6942 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

**Background**

The final regulations (TD 9890) that are the subject of this correction are issued under section 1441 of the Internal Revenue Code.

## Need for Correction

As published, January 2, 2020 (85 FR 192), the final regulations (TD 9890) contain an error that needs to be corrected.

## List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

## Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

## PART 1 - INCOME TAXES

**Paragraph 1.** The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

**Par. 2.** Section 1.1441-6 is amended by revising paragraph (b)(2)(iv)(D) to read as follows:

§ 1.1441-6 Claim of reduced withholding under an income tax treaty.

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(iv) \* \* \*

(D) Example 4--(1) Facts. Entity E is a business organization formed under the laws of Country Y. Country Y has an income tax treaty with the United States that contains a limitation on benefits provision. E receives U.S. source royalties from withholding agent W. E furnishes a beneficial owner withholding certificate to W claiming a reduced rate of withholding under the U.S.-Country Y tax treaty. However, E's beneficial owner withholding certificate does not specifically identify the limitation on benefits provision that E satisfies.

(2) Analysis. Because E's withholding certificate does not specifically identify the limitation on benefits provision under the U.S.-Country Y tax treaty that E satisfies as required by paragraph (b)(1)(i) of this section, W cannot rely on E's withholding certificate to apply the reduced rate of withholding claimed by E.

\* \* \* \* \*

Martin V. Franks  
Chief  
Publications and Regulations Branch  
Legal Processing Division  
Associate Chief Counsel  
(Procedure and Administration)

[FR Doc. 2020-04113 Filed: 3/5/2020 8:45 am; Publication Date: 3/6/2020]