Foreign Account Tax Compliance Act (FATCA) Guidelines

What is it?

FATCA requires foreign banks and certain foreign companies to report to the IRS information about their U.S. transactions.

The IRS requires that certain payments made to foreign banks or certain foreign companies be withheld on at 30% if the foreign entity does not comply with FATCA law.

What does the University need to do?

U-M must request a completed Form W-8BEN-E from all foreign banks and foreign companies to whom payment is made.

W-8BEN-E

Attached is an example of a completed W-8BEN-E for an active foreign nonfinancial entity (NFFE). For an active NFFE, Parts I, XXV, and XXIX must be completed to be valid. It is anticipated that approximately 90% of forms W-8BEN-E provided to U-M will be active NFFE’s and will appear similar to the attached example.

In the event the completed W-8BEN-E has a box checked other than an active NFFE, please contact taxreporting@umich.edu for assistance.