



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
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This is in response to your letter, dated December 9, 2003, regarding the documentation requirements for an international organization claiming exemption from U.S. withholding tax.

In general, payments to an international organization from any source within the United States are exempt from tax pursuant to section 892(b) and §1.892-6T and exempt from withholding pursuant to §1.1441-8(d).

However, although an international organization is exempt from tax, an international organization is still required to submit a withholding certificate, Form W-8EXP, to a withholding agent. If a withholding agent does not receive a Form W-8EXP from the international organization, it must withhold at the 30-percent rate prescribed under section 1441(a) and §1.1441-1(b)(1) or be liable under section 1461 for the tax required to be withheld without the benefit of a reduced rate. See Treas. Reg. §1.1441-1(b)(7).

A withholding agent may nevertheless treat a payee as an international organization, without requiring a Form W-8EXP, if the name of the international organization is one that is designated as an international organization by executive order (pursuant to 22 U.S.C. 288 through 288(f)) and other facts surrounding the transaction reasonably indicate that the international organization is the beneficial owner of the payment. See Treas. Reg. §1.1441-8(d); Instructions for Form W-8EXP.

If you have any further questions, please contact Ethan A. Atticks at (202) 622-3840.

The foregoing provides general information and is advisory only. It has no binding effect on the Internal Revenue Service. See Section 2.04, Rev. Proc. 2004-1, 2004-1 I.R.B. 1.

Sincerely,

Valerie Mark Lippe
Senior Technical Reviewer, Branch 2
Office of the Associate Chief Counsel
(Interational)