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International Co-Sourcing Clears Up WP Certification Quandary

Client Profile

Industry:	Private Equity
Entity Type:	Closed-End Fund
Ownership Structure:	Complex Tiered Partnership
Geographic Footprint:	International
Number of Employees:	200+

Bring Order to International Investor Reporting & Data

Issue

A private equity (PE) fund with international investors faced challenges with how its fund administrator organized investors' tax documentation acquired at onboarding. It struggled to get the needed investor data and tax forms for its IRS-mandated Withholding Foreign Partnership (WP) periodic review from its fund administrator.

Solution

Our team aggregated the investor data, and corresponding Forms W-8 and W-9, which inform several of the fund's domestic filing requirements, including its investors' Schedules K-1, withholding Forms 1042-S and 8805, WP renewals and certifications, as well as its Foreign Account Tax Compliance Act (FATCA) requirements. By working as a co-sourcing resource for the fund, we also helped gather a Self-Certification for each investor to satisfy the Organization for Economic Cooperation and Development (OECD)'s Common Reporting Standard (CRS) requirements.

In addition to compiling the data, we assessed the forms for proper completion and remediated those that were invalid or expired. Finally, we coordinated with the PE fund's WP review auditor to complete WP templates and answer follow-on questions.

Outcome

With our co-sourced international solution, the fund successfully certified its WP status to the IRS. The processes we implemented for their investor data also helped to reassess investor onboarding procedures, meet annual domestic and international tax reporting functions, and apply a tax form replacement policy upon a change in circumstance.

Investor data plays an important role in annual tax reporting and international information requirements. As taxing authorities around the world pay more attention to international funds, access to organized investor data is becoming more important. Our co-sourced international tax department solution helps funds manage the scrutiny and requirements they face.



For more information about our international co-sourcing services, please contact Heather Brown

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