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IRS practice unit: Evaluation of withholding agent's electronic books and records, reliability of Forms W-8

The IRS Large Business and International (LB&I) division publicly released a “practice unit”—part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices about tax concepts in general and specific types of transactions.

The title of this “process unit” (as this practice unit is referred to by the IRS) is: *Evaluation of withholding agent's electronic books and records on reliability of Forms W-8*

Read the practice unit on the [IRS practice unit webpage](#) (posting date of October 21, 2019).

The practice unit outlines eight steps that are intended to assist the IRS examiner in obtaining electronic data needed to determine the reliability of information provided in Forms W-8:

- Pre-audit evaluation of a withholding agent's reporting utilizing IRS systems
- Determining the reliability of systems used by the withholding agent to accumulate documentation
- Using information document requests (IDR) to evaluate the reliability of the withholding agent's electronic Form W-8 / Form W-9 systems
- Analyzing the withholding agent's procedures for opening up accounts
- Determining the reliability of documentation received from “introducing brokers”
- Determining the reliability of documentation received from third-party repositories
- Determining the reliability of agency agreements associated with a shared documentation systems
- Determining the reliability of books and records electronically stored and maintained by a withholding agent

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