

USDPROP TAX FORMS GUIDE (W-8 / W-9)

Withholding Tax Certificates for Domestic (US) and Foreign (Non-US/LATAM) Investors

OVERVIEW

For the **USDPROP Real Estate Fund** to distribute dividends via the **DividendDistributor** contract without violating US tax laws, the Fund Manager must collect US tax withholding certificates from all investors.

- **US Investors:** File **Form W-9** to declare their Taxpayer Identification Number (TIN/SSN/EIN).
- **Foreign/LATAM Investors:** File the appropriate **Form W-8** to declare their non-US status and claim potential tax treaty benefits (avoiding or reducing the standard 30% US withholding tax on dividends).

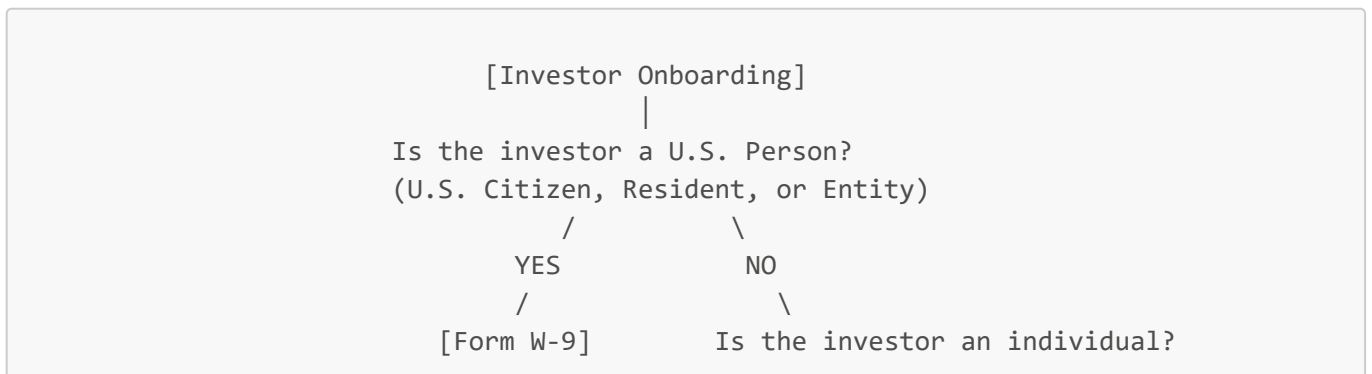
1. OFFICIAL IRS SOURCES (WHERE TO GET THE FORMS)

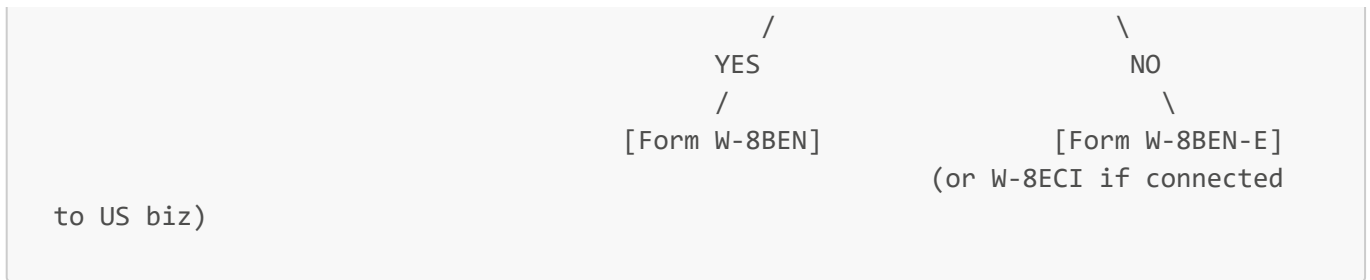
The official, most up-to-date PDF forms and instructions should always be downloaded directly from the **Internal Revenue Service (IRS)** website:

Form	Purpose	Official PDF Link	Instructions Link
Form W-9	For US Persons (Individuals & Entities)	Download W-9 PDF	W-9 Instructions
Form W-8BEN	For Non-US Individuals	Download W-8BEN PDF	W-8BEN Instructions
Form W-8BEN-E	For Non-US Entities (Corps, LLCs, Trusts)	Download W-8BEN-E PDF	W-8BEN-E Instructions
Form W-8ECI	For Foreign Trade/Business Connected Income	Download W-8ECI PDF	W-8ECI Instructions
Form W-8IMY	For Foreign Intermediaries/Flow-Throughs	Download W-8IMY PDF	W-8IMY Instructions

2. JURISDICTIONAL DECISION TREE (WHICH FORM TO REQUIRE?)

During the onboarding questionnaire on the DApp, the compliance module must direct the investor to the correct form based on their jurisdiction and entity structure:





Detailed Classifications:

A. Form W-9: Request for Taxpayer Identification Number and Certification

- **Who files it:** US Citizens, US Green Card holders, and entities incorporated under US state laws.
- **What it does:** Certifies that the Taxpayer Identification Number (SSN or EIN) provided is correct, and that the investor is not subject to backup withholding.
- **Withholding rate:** 0% (US taxpayers report and pay taxes directly on their annual tax returns, e.g., via Schedule K-1 or Form 1099).

B. Form W-8BEN: Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (Individuals)

- **Who files it:** Non-US citizens residing outside the US (e.g., LATAM retail investors participating under Regulation S).
- **What it does:** Certifies that the individual is not a US person and establishes their foreign residency. It allows them to claim tax treaty benefits under Section II (if their country of residence has a tax treaty with the US) to reduce withholding on dividends from the standard 30% to a lower rate (e.g., 10%, 15%, or 0%).
- **Withholding rate:** Default **30%** unless a tax treaty benefit is claimed.

C. Form W-8BEN-E: Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)

- **Who files it:** Non-US corporations, LLCs, partnerships, or trusts investing in the fund.
- **What it does:** Identifies the entity's FATCA (Foreign Account Tax Compliance Act) status (e.g., Active NFFE, Passive NFFE, Reporting Model 1 FFI) and certifies its foreign beneficial ownership.
- **Withholding rate:** Default **30%** unless a tax treaty benefit is claimed.

D. Form W-8ECI: Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States

- **Who files it:** Foreign persons or entities whose investment income is "effectively connected" with a trade or business they conduct in the US.
- **Withholding rate:** Exempt from the standard 30% withholding, but the income is subject to regular progressive US tax rates (requiring the investor to file a US tax return).

3. INTEGRATING TAX FORMS INTO THE DAPP ONBOARDING FLOW

In a modern web3 setup like USDPROP, requiring investors to print, fill, scan, and email PDFs causes extreme friction. The recommended integration pattern is **Electronic Tax Form Onboarding**:

A. Digital Onboarding Architecture

During the KYC/AML registration phase:

1. **DApp Form Generation:** The Investor Frontend presents the W-9 or W-8 questions as standard web input fields (Digital Form).
2. **Electronic Signature (E-Sign):** The investor signs the tax certification digitally (electronic signature compliant with the US E-SIGN Act).
3. **PDF Compilation:** The backend generates a pre-filled IRS PDF with the digital signature and saves it in the encrypted customer database.
4. **On-Chain Claims Update:** Once the tax form is verified by the compliance officer, the admin updates the investor's claims in the registry.

B. Third-Party KYC Integrators with Tax Capabilities

Instead of building a self-hosted W-8/W-9 collection engine, the Fund Manager can utilize specialized identity platforms that handle document collection, FATCA compliance, and electronic tax signatures:

- **Securitize / Tokeny T-Rex:** Natively integrate W-8/W-9 collection in their compliance onboarding flow.
- **Sumsub / Synaps:** Offer plug-and-play KYC widgets that support digital tax document signing.
- **DocuSign / HelloSign API:** Allows programmatic generation and signing of W-8/W-9 forms using templates during onboarding.

4. IMPACT ON ON-CHAIN DIVIDEND DISTRIBUTION

The collected tax status dictates how dividends are distributed:

1. **Treasury Adjustments:** Before calling `depositAndDistribute` on the `DividendDistributor` contract, the Fund Manager calculates the net dividend amount for each investor based on their tax withholding rate:
 - **US Investor:** receives 100% of the distribution (tax reported on 1099/K-1).
 - **LATAM Investor (e.g., Argentina - No US Tax Treaty):** 30% tax withholding applies. The fund keeps 30% in the `SafeMultisig` treasury (to be paid to the IRS) and sends 70% of the distribution to the investor.
 - **Treaty Investor (e.g., Mexico - Active US Tax Treaty):** Reduced tax withholding (e.g., 10%). The fund keeps 10% in the treasury and distributes 90%.
2. **Distribution Execution:** Dividends are deposited into the `DividendDistributor` proxy contract (`0x26FaD8d74c2Eb3461c94e5CeAC8e8AEb48e6D1D1`) to allow investors to claim their net eligible amount.