



TaxNewsFlash

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Rev. Proc. 2022-43: Final QI withholding agreement applicable beginning 2023

The IRS today released an advance version of [Rev. Proc. 2022-43](#) [PDF 1MB] that sets forth the final qualified intermediary (QI) withholding agreement described in Treas. Reg. section 1.1441-1(e)(5) that applies beginning January 1, 2023. The QI agreement currently in effect, as provided in Rev. Proc. 2017-15, expires on December 31, 2022.

In general, the QI agreement allows foreign intermediaries to enter into an agreement with the IRS to simplify certain of their obligations as a withholding agent under chapters 3 and 4 and as a payor under chapter 61 and section 3406 for amounts paid to their account holders. The QI agreement also allows foreign persons to act as qualified derivatives dealers (QDDs) and assume primary withholding and reporting responsibilities on all dividend equivalent payments they make.

In Notice 2022-23, the IRS proposed changes to the QI agreement that would permit a QI effecting a transfer of an interest in a publicly traded partnership (PTP) (or receiving a distribution made by a PTP) on behalf of an account holder of the QI, to assume the withholding and reporting responsibilities under sections 1446(a) and (f) with respect to such an account holder. Read [TaxNewsFlash](#)

The 2023 QI agreement includes the changes proposed in Notice 2022-23, allowing foreign intermediaries to enter into the QI agreement for purposes of the withholding and reporting required under sections 1446(a) and (f) with respect to their account holders holding interests in PTPs.

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