



Policy for Non-U.S./ Foreign Vendors

Frequently asked questions/ examples of forms W-8 submitted

NOT TO BE RELIED UPON AS TAX ADVICE.
For tax advice, you must consult your own
tax advisor.

Flowserve Corporate Tax personnel must approve your Form W-8 before it will be entered into our vendor system and allow payment to you to be made. Your tax advisor/tax department will be in the best position to assist you and give you advice on how to properly complete these forms. However, we are listing below questions and examples we have seen that may help you as you complete the form(s).

Question: There is a new Form W-8BEN-E out that says it is for use by most foreign entities. Do I have to use that form or can I still use the Form W-8BEN (revision date February 2006)? It is a much shorter and less complicated form.

Answer: As of 1/1/2015, the Form W-8BEN (revision date February 2006) is no longer valid. The correct form to use is the W-8BEN-E for most entities. Certain entities may be required to use other versions of the Form W-8 (See Form instructions). Please consult your tax advisor if you believe this may apply to you. Note: Forms W-8BEN submitted prior to 12/31/2014 generally remain valid for three years after the date of submission of the form.

Question: Do I have to have a U.S. tax identification number?

Answer: If treaty benefits are claimed, a U.S. tax identification number is required and must be obtained by the foreign vendor. If the foreign vendor's country issues tax-identification to its taxpayers, that number may be provided instead of a U.S. tax identification number if the vendor is not required to make any U.S. tax filings.

Question: I only sell parts to Flowserve. I never perform any services. Do I need to claim treaty benefits?

Answer: If you only sell tangible goods, such as parts, tools, land, off-the-shelf software packages, etc., treaty benefits do not need to be claimed.

Question: If I never come to the United States to work and perform all services outside the United States, do I need to claim treaty benefits?

Answer: If the foreign vendor NEVER comes to the United States and performs services, treaty benefits do not need to be claimed. However, every invoice must clearly state that "all services were performed outside the United States."

Question: Do I have to write on every invoice that I do not do any work inside the United States?

Answer: A foreign vendor can provide a yearly certification that no services in the prior year were performed in the United States and that no services are anticipated in the current year to be performed in the United States. However, this form must be signed and resubmitted every year.

Question: If I do not need to claim treaty benefits, why must I fill out a Form W-8?

Answer: You are being asked to provide documentation that you are a foreign vendor (i.e., not U.S.). For example, on the Form W-8BEN-E only Part 1, lines 1, 2, 3 (if applicable), 4, and 6/7 and Part XXIX Certification, must be completed. Line 5, Chapter 4 (FATCA status), is generally only required to be filled in if the payee is receiving interest, dividends, or other financial type payments.



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Question: If I am claiming a treaty benefit, what part of the Form W-8BEN-E do I fill out?

Answer: If a treaty benefit is claimed, vendors must carefully and fully complete Part III, Claim of Treaty Benefits (page 2).

Question: Who files a Form W-8ECI?

Answer: If a Form W-8ECI is submitted, the foreign vendor is saying that they file a United States tax return. If they do not file a United States tax return, they should not use this form.

Question: What are some common mistakes on the forms?

Answer: Many companies abbreviate the country name instead of writing it out. Also, please do not use a post office box or in-care-of address for the actual physical address of the vendor. Also, be sure to sign and date the form and include the title of the person signing the form.

Question: What needs to be submitted if I need to file a Form W-8IMY?

Answer: If you file a Form W-8IMY, you most likely need to include Forms W-8 for the actual owners of the income you are receiving. For example, a partnership would file a Form W-8IMY and may be required to send Forms W-8 for the partners.

Question: If I have an invoice that contains services that are performed both in the United States and outside the United States, what do I do?

Answer: The invoice should have on its face the amount of the invoice that results from the services performed inside the United States and the amount relating to services performed outside the United States. For example, if the invoice is for 10 days of training on a machine, 4 days in the United Kingdom and 6 days in the United States, 40% of the invoice would be shown as relating to the United Kingdom and 60% of the invoice as relating to the United States.

Question: What happens if I do not claim a treaty benefit and perform services in the United States?

Answer: Flowserve will withhold 30% of the amount that would be paid to you and you will have to file a tax return with the United States government to request a refund which you may or may not be allowed to receive.

Question: Why do I have to get a United States tax identification number if I claim treaty benefits and there is no withholding?

Answer: Payors like Flowserve are required to report to the United States taxing authority, the Internal Revenue Services, all amounts that would be subject to withholding and show the treaty benefits claimed. You will receive a copy of this form that is filed annually. A United States tax identification number must be obtained or 30% withholding is required. If your country issues a taxpayer identification number, you may provide that number instead of the U.S. taxpayer identification number, as long as you are not filing any U.S. tax returns.



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Examples:

(1) John Doe, an individual sells only parts to Flowserve. He completes Part 1, lines 1–5 and Part III Certification.

Alternative way to show the example; double-click to view in Adobe Acrobat.

[Form W-8 \(2014\) Individual with no treaty benefit](#)

(2) John Doe, an individual, works on installing equipment in the United States. He completes Part 1, lines 1–5, Part II, lines 9 and 10, and Part III Certification.

[Form W-8 \(2014\) Individual with treaty benefit](#)

(3) ABC Company, a corporation, only provides design services to Flowserve; however, work is NEVER performed in the United States. The corporation completes Form W-8BEN-E (February 2014) and completes Part I “Identification of Beneficial Owner” and Part XXIX “Certification”. Part I, Line 5, Chapter 4 (FATCA status), is generally only required to be filled in if the payee is receiving interest, dividends, or other financial type payments. In addition, every invoice contains the statement “no services were performed in the United States.” Please see highlighted areas on Pages 1 and 8.

[Form W-8BEN-E Corporation with NO treaty benefits](#)

(4) ABC Company, a corporation, provides design services to Flowserve and anticipates working in the United States at least during portions of the project. The corporation completes Form W-8BEN-E (February 2014) and completes Part I, Part III (treaty) if applicable and Part XXIX. If they are claiming a treaty, they must fill out Part I, Line 8 or 9b as a US EIN or Foreign TIN is required. Part I, Line 5, Chapter 4 (FATCA status), is generally only required to be filled in if the payee is receiving interest, dividends, or other financial type payments. In addition, each invoice must show what, if any, portion of the services included on that invoice are performed in the United States and what portion were performed outside the United States. Please see highlighted areas on Pages 1, 2 and 8.

[Form W-8BEN-E Corporation with treaty benefits](#)

If you have any questions about submitting the appropriate Form W-8, please submit your questions to W-8@flowserve.com and your questions will be returned by email. Alternatively, please send your phone number and a time that we could contact you directly.