

Tax - Frequently Asked Questions

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Basis of preparation & disclaimers

This document has been prepared by the Joint Official Liquidators ("JOLs") of FTX Digital Markets Ltd. (In Official Liquidation) ("the Company", "FTX Digital" or "FTX DM") for the purpose of providing customers with information and instructions regarding Tax requirements in the FTX Digital liquidation ("the Bahamas Process").

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Tax Overview

Why do I need to provide tax information?

Due to the requirements under the U.S. Debtors Reorganisation Plan and Global Settlement Agreement, you must provide certain details regarding your tax status (e.g., tax residency) to receive distributions. Such information is provided on a completed IRS Form W-9 or appropriate IRS Form W-8. This enables you to receive your distribution free from any U.S. tax withholding.

What will my tax information be used for?

We will share submitted tax information with the U.S. Debtors (FTX Trading LTD) and their relevant advisors. They may provide this information to the U.S. Tax Authorities in line with applicable tax laws. We may also share information with our advisors as required.

How do I provide my tax information?

Individual claimants should provide their tax information via the FTX Digital portal when the functionality for this stage of the process becomes available. We will notify you when the tax information collection part of the portal is open. You should not send PDF forms or tax information to us via email.

Institutional claimants (i.e. entities and trusts) will receive an email from claims@ftx.pwc.com (please do not reply to this email) with guidance on submitting tax information.

How do I know if I am a U.S. Tax Resident?

A U.S. Tax Resident generally falls into one of the following categories:

- U.S. Citizen (excluding Residents of U.S. Territories)
- U.S. permanent resident (Green Card Holder)
- Individual who meets the Substantial Presence Test (<https://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>)
- A corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any state thereof, or the District of Columbia;
- An estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The tax treatment of a partner (or other beneficial owner) in a partnership (or such other pass-through entity) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partnership (or other pass-through entity).

Which form should I complete?

Individual claimants should submit their tax information using the FTX Digital Claim portal. You will be notified when this section of the portal is available for you to submit the required information. You will be asked if the beneficial owner of the claim is a U.S. tax resident. Depending on your answer, you will be shown the following:

U.S. Tax resident -> W-9 PDF form will be displayed which should be downloaded, completed (electronically where possible) and re-uploaded to the FTX Digital Portal.

Non-U.S. Tax resident -> W-8BEN form will be rendered in the FTX Digital portal for you to complete. A PDF form will then be generated and you will be asked for an e-signature.

Institutional claimants (i.e. entities and trusts) will be emailed instructions on how they should submit their tax information. If you have not already received this email, please contact us at gbl_fdm_creditors@pwc.com.

The table below details the form which you should complete:

Individual/Institutional claimant	Tax Residency	Circumstances	Form to complete
Individual	U.S.	Individuals who are U.S. Tax Residents.	W-9
Individual	Non-U.S.	Individuals who are not U.S. Tax Residents.	W-8BEN
Institutional	U.S.	Institutions that are organised or have a fixed place of business in the U.S.	W-9
Institutional	Non-U.S.	Non-U.S. institutions other than those required to submit certain special case forms (see below regarding Forms W-8IMY, W-8EXP and W-8ECI).	W-8BEN-E
Institutional	Non-U.S.	Non-U.S. institutions acting as an intermediary with respect to the distribution, such as a non-U.S. flow-through entity.	W-8IMY
Institutional	Non-U.S.	Non-U.S. governments, international organisations, non-U.S. central banks of issue, non-U.S. tax-exempt organisations, non-U.S. private foundations, or governments of a U.S. possession claiming the applicability of certain tax exemptions.	W-8EXP
Institutional	Non-U.S.	Non-U.S. entities claiming that income is effectively connected with the conduct of a trade or business in the United States.	W-8ECI

I've made a mistake on my form submission or my circumstances have changed - how do I re-submit a new form?

If any of the information submitted on your form changes prior to receiving your distribution, please email us immediately at gbl_fdm_creditors@pwc.com and we will provide further instructions on submitting an updated form.

I've already submitted a form in the Chapter 11 process – what should I do?

If you have previously submitted a form through the Chapter 11 process, it may not be necessary to resubmit. However, we will review all submissions, and we will notify you should we require an updated form. If contacted, please complete and submit the form as soon as possible.

W-8BEN FAQ's

What is Form W-8BEN and why do I need to complete it?

Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), is primarily used by an individual to certify that such individual is not a "U.S. person" generally meaning a citizen or resident of the U.S.

Why is the United States excluded from the 'Country of Citizenship' list?

You are not able to input the 'United States' as your country of citizenship on the W-8BEN form in the FTX Digital portal. The W-8BEN form is for individuals who are non-U.S. tax residents. If you are a resident of a U.S. overseas territory, you can select this option from the dropdown list.

If you are a U.S. tax resident you should instead complete a W-9 form.

Why can I not input a United States residential address, but I can input a United States mailing address?

The W-8BEN form is for individuals who are non-U.S. tax residents. You therefore cannot enter a United States residential address.

You are able to provide a United States mailing address if required in certain circumstances. If you do enter a U.S. mailing address, additional questions may appear on your form. You should ensure you complete these prior to submitting your form.

I don't know/have a social security number (SSN) / individual taxpayer identification number (ITIN) / foreign tax identification number (FTIN). What should I do?

When completing the W-8BEN form, U.S. Social Security Number (SSN) or a U.S. Individual Taxpayer Identification Number (ITIN) are both optional fields. If you have either of these, you can input them onto the form. Otherwise leave these fields empty.

Your Foreign Tax Identifying Number (FTIN) is the number issued to you by your country of residence for tax purposes. If your country does not issue a tax identification number, you should indicate this on the form in the appropriate checkbox as per the Form instructions. If you are unsure of your FTIN, you should contact your local tax authority.

How do I know if my country has a treaty with the United States?

If the country of residence which you enter on your W-8BEN form has a tax treaty with the United States, additional questions will appear in the FTX Digital portal. If you complete these questions, section 9 on your W-8BEN will be populated with your country of residence.

For more information, please visit: <https://www.irs.gov/businesses/international-businesses/united-states-income-tax-treaties-a-to-z>

When the PDF form is generated in the FTX Digital portal, some of the fields appear empty. Why is this the case?

When you generate your PDF form in the FTX Digital portal, you may notice that some of the fields on the form are not populated. This is expected as depending on the answers you provide, certain fields will become required.

As long as you populate all the required fields, you will be able to complete a W-8BEN form.

W9 FAQ's

What is Form W-9 and why do I need to complete it?

Form W-9, Request for Taxpayer Identification Number and Certification, is used to collect the taxpayer identification number (TIN) of U.S. persons, which can be a Social Security Number (SSN) or Employer Identification Number (EIN). This form is typically requested by entities required to file an information return to report various types of income to U.S. Federal and state taxing authorities.

Who is required to fill out Form W-9?

Form W-9 must be completed by U.S. citizens or other U.S. persons. For federal tax purposes, you are considered a U.S. person if you are (i) an individual who is a U.S. citizen or U.S. resident alien; (ii) a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States; (iii) an estate (other than a foreign estate); or (iv) a domestic trust (as defined in Regulations section 301.7701-7). This form is typically requested by entities required to file an information return to report various types of income to U.S. Federal and state taxing authorities.

How do I determine my correct Taxpayer Identification Number (TIN)?

The TIN for an individual is typically their Social Security Number (SSN). For businesses, the TIN is typically the Employer Identification Number (EIN). Trusts and estates may also have an EIN. It is important to use the correct TIN that matches the name on your tax return to avoid discrepancies with the IRS.

What does "backup withholding" mean and how does it apply to me?

Backup withholding generally applies if the customer (a) fails to furnish its social security number or other taxpayer identification number; (b) furnishes an incorrect taxpayer identification number; (c) fails properly to report interest or dividends; or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the tax identification number provided is its correct number and that it is not subject to backup withholding.

What are the consequences of providing incorrect information on Form W-9?

Please note that complete tax forms are required for distributions to be made. Further, providing incorrect information can result in penalties, including fines and the imposition of backup withholding on future payments. It is crucial to ensure that the information provided on Form W-9 is accurate and up to date.

Where can I find additional information or assistance with completing Form W-9?

For further guidance, you can refer to the instructions provided with Form W-9, visit the IRS website, or consult a tax professional. The IRS website provides comprehensive resources and FAQs to assist taxpayers with form preparation and submission.

Institutional FAQ's

I am an institutional claimant who received an email to submit an appropriate tax withholding certificate. How do I know which tax withholding certificate I should complete?

An appropriate tax withholding certificate can be either of the following:

- **U.S. claimants:** IRS Form W-9
- **Non-U.S. claimants:** An appropriate IRS Form W-8 (see below types of IRS Form W-8s to determine which may be appropriate for your circumstances)

Relevant information for appropriate tax withholding certificates:

- **Form W-9:** Submit Form W-9 if you are a partnership, corporation, company, estate, trust or association created or organised in the United States or under the laws of the United States. For more information, visit the IRS website.
- **Form W-8BEN-E:** Submit Form W-8BEN-E if you are a non-U.S. entity other than those required to submit certain special case forms (see below regarding Forms W-8IMY, W-8EXP and W-8ECI). For more information, visit the IRS website.
 - To the extent that you qualify for a reduced rate of U.S. withholding tax under an applicable income tax treaty for interest and/or dividends, please provide the appropriate information to claim treaty benefits in Part III of the Form W-8BEN-E.
- Special Case Forms W-8
 - **Form W-8IMY:** Submit Form W-8IMY if you are a non-U.S. entity acting as an intermediary with respect to the distribution, such as a non-U.S. flow-through entity. For more information, visit the IRS website.
 - Along with Form W-8IMY, please submit any relevant withholding certificate(s) for the intermediary's ultimate beneficial owner(s) and/or a relevant withholding statement attachment, as applicable.
 - To the extent that the beneficial owners of the income qualify for a reduced rate of U.S. withholding tax under an applicable income tax treaty for interest and/or dividends, please provide the appropriate information for them to claim treaty benefits.
 - **Form W-8EXP:** Submit Form W-8EXP if you are a non-U.S. government, international organisation, non-U.S. central bank of issue, non-U.S. tax-exempt organisation, non-U.S. private foundation, or government of a U.S. possession claiming the applicability of certain tax exemptions. For more information, visit the IRS website.
 - **Form W-8ECI:** Submit Form W-8ECI if you are a non-U.S. person claiming that income is effectively connected with the conduct of a trade or business in the United States. For more information, visit the IRS website.

What are some common Tax Form errors that I should check before submitting my tax withholding Form?

Common Tax Form Errors (Applies to all Withholding Forms)

- Form is not signed or print name is missing (where applicable)
- Form is not dated
- Form has expired (Does not apply to Form W-9)
- Tax ID number is not provided when required
- Required certification boxes are not checked
- The form type provided is not appropriate for your circumstances (e.g., entity level form provided for individual) – see relevant ‘Which form should I complete?’ FAQ for the appropriate form types by entity type/tax residency
- Missing address where required (E.g. Permanent Residence Address is required for Form W-8BEN-E)

Common Tax Form Errors on Form W-8BEN-E

- Country of incorporation or organisation is missing
- Chapter 3 status is missing
- Chapter 4 status is missing
- Multiple Chapter 3 statuses are selected
- Multiple Chapter 4 statuses are selected
- Required Part of Form not completed in accordance with selected Chapter 4 status (E.g. An institution selecting “Active NFFE” as Chapter 4 Status must complete Part XXV)
- Part of Form completed not in accordance with selected Chapter 4 status (E.g. An institution selecting “Active NFFE” as Chapter 4 Status completes any part other than Part XXV)
- Supporting documentation required to certify Chapter 4 status is not provided (where applicable) (E.g. An institution selecting “Entity wholly owned by exempt beneficial owners” as Chapter 4 status must provide an owner reporting statement including the relevant information outlined in Part XVI of the Form)
- Multiple certification boxes with contradicting information are selected (E.g. An institution selecting “Active NFFE” as Chapter 4 Status, completes Part XXV and Part XXVI)
- Form does not include all required pages

Thank you
