

New regulations affect publicly traded partnerships held by foreign persons

The U.S. Department of the Treasury and the Internal Revenue Service (IRS) have introduced new regulations under Internal Revenue Code, Section 1446(f) regarding publicly traded partnership (PTP) securities held by foreign persons (individuals or entities). The withholding requirements under the new regulations will go into effect on January 1, 2023 and could impact clients in the following ways:

- Beginning on **January 1, 2023** we will withhold **10% of gross proceeds** from sales of PTP securities and certain distributions by PTPs.
- The transactions and related withholding tax will also be reported on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*.
- This new PTP withholding tax is **separate from the existing 37% withholding for individuals and 21% withholding for entity accounts** on payments of U.S. source income related to PTP securities.
- For more detail regarding Section 1446(f) regulations, please review the information available online on the IRS website: www.irs.gov/individuals/international-taxpayers/partnership-withholding.

TD Ameritrade encourages clients to research possible purchases prior to investing.

You will be responsible for any trading decisions, including any tax consequences of such trades and agree that TD Ameritrade will not be liable for any future appreciation of securities that were sold.

TD Ameritrade does not provide tax advice. Please speak with a tax professional about your particular situation.

Investment Products: Not FDIC Insured * No Bank Guarantee * May Lose Value

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