

TD Ameritrade Singapore Pte. Ltd.

These guidelines cannot be considered to be, and are not tax or legal advice, so please consult your tax advisor to determine the U.S. tax consequences of investing in the U.S. TD Ameritrade Singapore Pte. Ltd. (TD Ameritrade Singapore) does not provide tax advice. Investors who are not U.S. tax payers are generally not required to file a U.S. tax return. TD Ameritrade Singapore will withhold the required amount of U.S. taxes, as applicable.

CAPITAL GAINS

Gains earned from trading activity are typically exempt from U.S. withholding for investors outside of the U.S.

DIVIDENDS FROM U.S. SECURITIES

Dividend income from a U.S. company received by an investor outside the U.S. will have a percentage held back at the time of payment. This is Non-Resident Alien (NRA) withholding that is withheld by TD Ameritrade Singapore and sent to the U.S. Internal Revenue Service ("IRS") on your behalf so no additional tax is due after the year ends. The statutory rate is 30%, unless you have claimed an active treaty for your account, in which case it may be lower. Treaty claims are made through the IRS Form W-8BEN. For more information on tax treaties for international investors, please visit the IRS site for Tax Treaty Tables.

DIVIDENDS FROM NON-U.S. SECURITIES

Dividend income earned from companies outside of the U.S. may have a tax which was taken before the dividend reached TD Ameritrade Singapore. This tax is remitted to the country of origin for that security. Your brokerage firm deposits the net amount of the income into your account.

INTEREST INCOME

If interest income cannot be considered Portfolio Interest, standard withholding rules will apply. The statutory rate is 30%; unless you have claimed an active treaty. Portfolio Interest withholding exemptions must meet the following criteria: (i) issued by a U.S. person, (ii) received by a non-U.S. investor, (iii) security is an obligation and issued in registered form, (iv) the non-U.S. investor does not meet the 10% shareholder statute as outlined in IRC §871. Portfolio interest is exempt from U.S. withholding and the underlying instruments are exempt from the estate tax.

871M WITHHOLDING

As previously mentioned, dividends paid by a U.S. corporation are subject to Non-Resident Alien withholding. In a response to concerns that non-U.S. investors were able to avoid dividend withholding by using equity swaps, the U.S. Congress enacted a new withholding regime titled Section 871m. This will impact investors outside the U.S. with "dividend equivalent payments" in the options market beginning January 1, 2017. As of now, options are the only product TD Ameritrade Singapore offers that will be affected but this is subject to change. More information regarding dividend equivalent payments is available on the IRS website.

SECTION 302 WITHHOLDING

Corporate actions that qualify as a deemed redemption or tender offer under section 368(a) of the Internal Revenue Code are initially subject to withholding by non-U.S. investors. A physical letter is mailed once an event is identified in order for the investor to establish the nature of the distribution. If you have determined the event to be a substantially disproportionate redemption or a complete termination of interest within 60 days of the event, the withholding is returned. In addition to the letter announcing the event, you will receive an Election Certificate and instructions to help you make this determination.

W-8BEN

Non-U.S. investors are required to provide their brokerage firm a complete and valid IRS Form W-8BEN to certify this tax status. This form expires three calendar years after the signature date, unless material account information changes causing the form to become invalid prematurely. Without a valid W-8BEN on file, Internal Revenue Code Section 3406(a)(1)(B) will require TD Ameritrade Singapore to begin federal backup withholding at a rate of 28% on all taxable dividends, interest, sales proceeds (including those from options transactions), and other reportable distributions credited to your account. Notifications are sent prior to your W-8BEN expiring to remind you that new paperwork is needed.

SECTION 1446(f) WITHHOLDING

For all non-US persons and entities holding a TD Ameritrade Singapore account:

Effective January 1, 2023, the US Department of Treasury and Internal Revenue Service ("IRS") will introduce a new 10% withholding tax on the gross proceeds realized from sales of Publicly Traded Partnerships ("PTP") and partnership distributions. All PTP tax withheld will be reported in the Form 1042-S. Please note this new PTP withholding tax on partnership distributions is separate and in addition to the existing 37% withholding on individuals and 21% withholding on entities. For more information on PTP, you may refer to the IRS website.

FORM 1042-S

As a non-U.S. investor, you will be sent a Form 1042-S by mid-March for the preceding tax year if you have reportable activity. Any U.S. withholding that occurred, along with the income it is attributed to, will be reported on Form 1042-S.



This form is available online and is also mailed to your current mailing address on record. In addition, the form is sent to the U.S. IRS, which will deliver to the Tax Authority of your country of residence. Typically, no U.S. tax filing is necessary, however you may be required to report certain income earnings to your country.

U.S. ESTATE TAXATION AND PROCEEDINGS

When a non-U.S. investor has a joint account with rights of survivorship, upon their passing the assets which were held are typically transferred to the remaining account owner(s). However, if the account was titled with just the decedent as the owner, the estate must file a U.S. tax return to determine tax liability.

Certain assets owned and cash held by a non-U.S. investor at their time of death are subject to U.S. estate tax regulations:

- Equities issued by U.S. companies
- Mutual funds registered in the U.S.
- Futures
- Options

Assets held that are not subject to U.S. estate tax include:

- U.S. treasury and government agency securities
- Mutual funds registered outside of the U.S.
- Investment instruments which produce portfolio interest
- Equities issued by non-U.S. companies

Before the decedent's assets can be transferred from the brokerage account, the executor must provide the broker the transfer certificate issued from the IRS which may require them to file a form 706-NA with the IRS (within nine months after the date of death, unless an extension to file was granted). This return will determine estate tax liabilities. There are penalties assessed by the IRS if the return is filed after the nine month window, if tax owed is paid late, or if the estate valuation was understated in the return causing an underpayment of tax.

Certain documentation is required in order to file form 706-NA:

- Certified copy of will (if decedent died testate)
- Copy of decedent's death certificate
- Estate valuation documentation

The executor is able to maintain the account and make trading decisions while this process is ongoing; typically six to nine months.

U.S. estate tax regulations for non-U.S. investors may vary. Please review IRS Publication 515 and Form 706-NA for further important information.

TD Ameritrade Singapore Pte. Ltd.
(Company Registration No. 200902152D)
1 Temasek Avenue
#15-02 Millenia Tower
Singapore 039192

Please regularly log in to your account and ensure all account information provided by you is accurate.

TD Ameritrade Singapore Pte. Ltd. (Reg. N. 200902152D) is licensed by the Monetary Authority of Singapore and does not provide tax, legal, or investment advice or recommendations. Products and services offered in Singapore are provided by TD Ameritrade Singapore Pte. Ltd. and nothing in the published material is an offer or solicitation to conduct business in any other jurisdiction. TD Ameritrade, Inc. is the contracted executing broker of TD Ameritrade Singapore Pte. Ltd., providing order routing and market data services for the U.S. securities markets and is a member of FINRA, SIPC. TD Ameritrade Clearing, Inc. is the contracted custodian and clearing firm of TD Ameritrade Singapore Pte. Ltd. for U.S. securities markets and is a member of FINRA, SIPC. TD Ameritrade Singapore Pte. Ltd. trading as TD Ameritrade. TD Ameritrade Singapore is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. © 2023 Charles Schwab & Co., Inc. All rights reserved.