Withholding Tax Maintenance (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

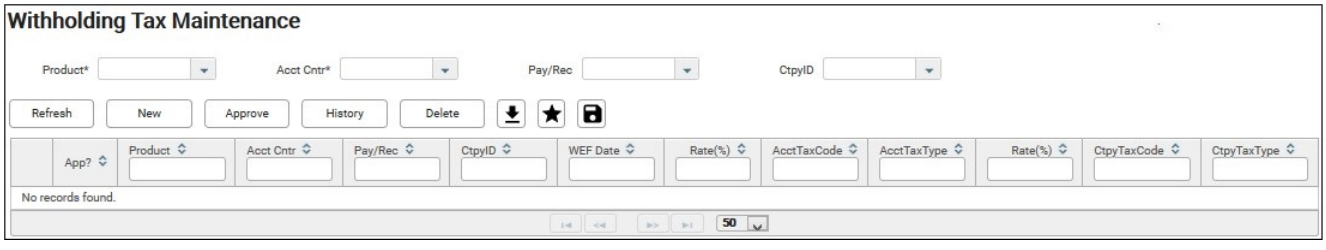
This document shows the detailed procedure on how to maintain withholding tax code and tax type for Money Market, Term Loan and Inter-company transactions between each pair of accounting centre and counterparty/inter-company.

WHY IS THIS IMPORTANT?

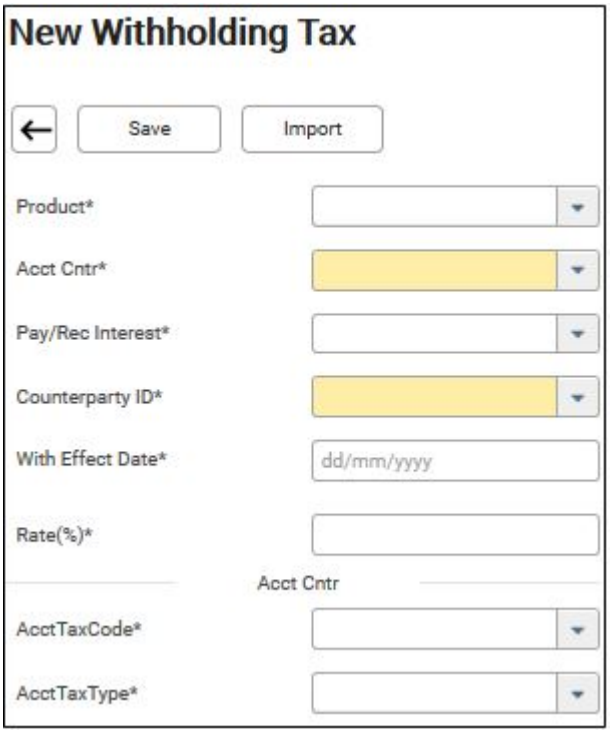
The maintenance of this withholding tax set up is required exclusively only for certain accounting treatment that has special withholding tax provision journal entries.

PROCEDURE

1. From the main menu, select Set Up > Static > Withholding Tax. The system displays the Withholding Tax Maintenance screen.



2. Click New. The New Withholding Tax screen will be displayed.

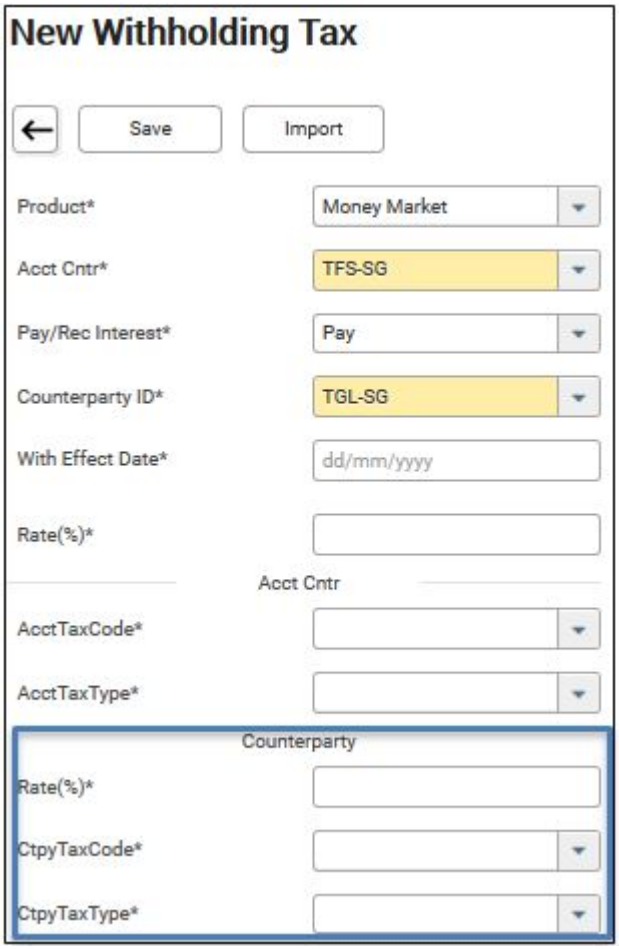


3. Choose the Product from the dropdown. Options available are Money Market, Term Loan and Call/Sweep for inter-company funding trade.

4. Select the Acct Cntr.

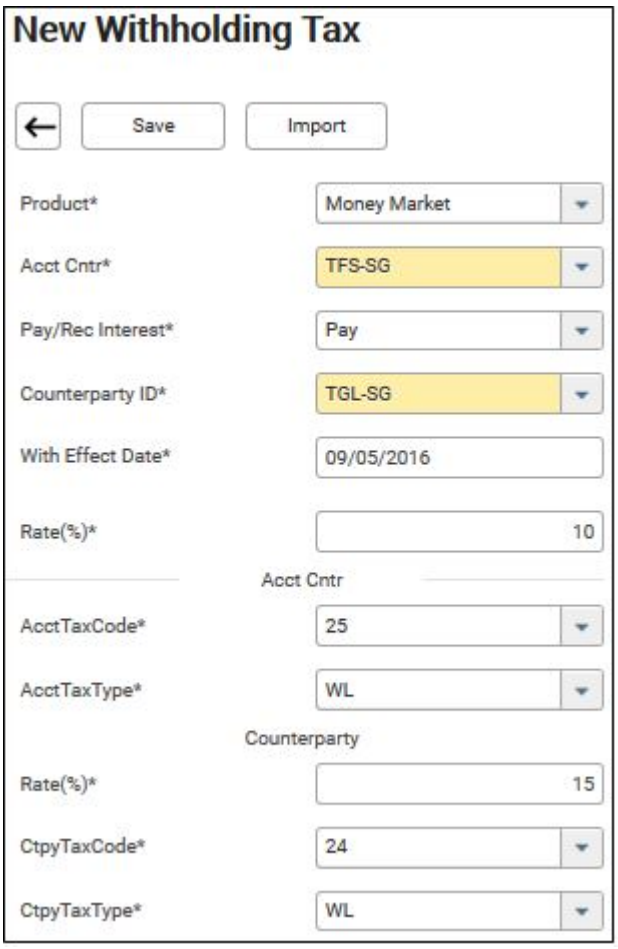
5. Choose whether the interest is for Pay or Receive.

6. Select the Counterparty ID. It can be inter-company or external counterparty. If inter-company is chosen, the Counterparty section with Withholding Tax Rate(%), CtpyTaxCode and CtpyTaxType fields will be displayed.



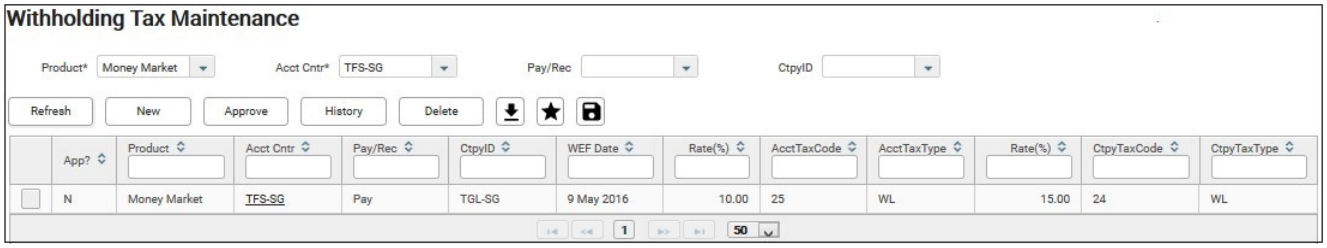
7. Input the With Effect Date and the Withholding Tax Rate from the accounting centre's point of view.

8. Under section "Acct Cntr", choose the Tax Code and the Tax Type. Acct Cntr Tax Code and Tax Type are user definable. This is set up in Entity Preference, click here to see how to set up in Entity Preference.



9. Click Save when completed. You will be returned to Withholding Tax Maintenance main screen.

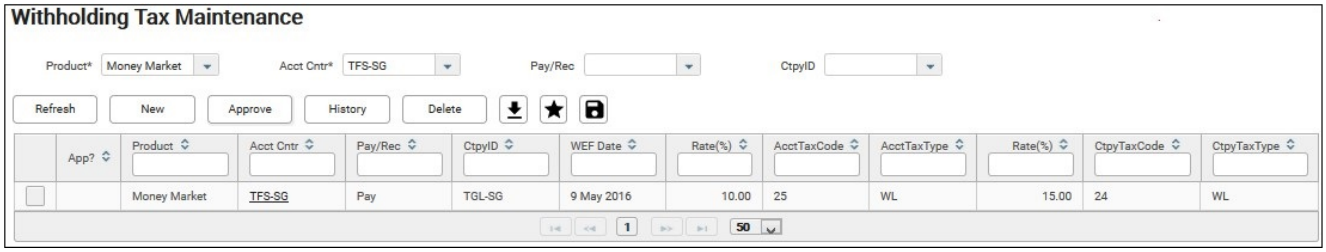
10. To see the withholding tax maintained, select the Product and Acct Cntr fields accordingly. Click Refresh. In this example, Money Market is selected for Product and TFS-SG for Acct Cntr.



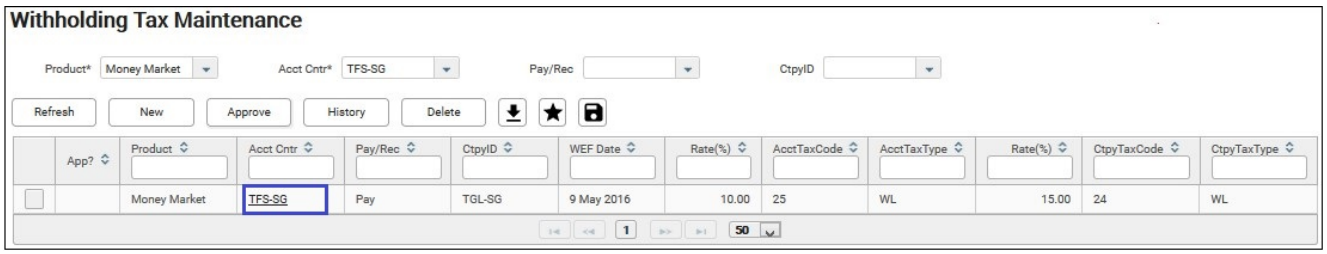
11. Newly maintained withholding tax requires approval. To do this, click on the checkbox beside the App? Column and click Approve.



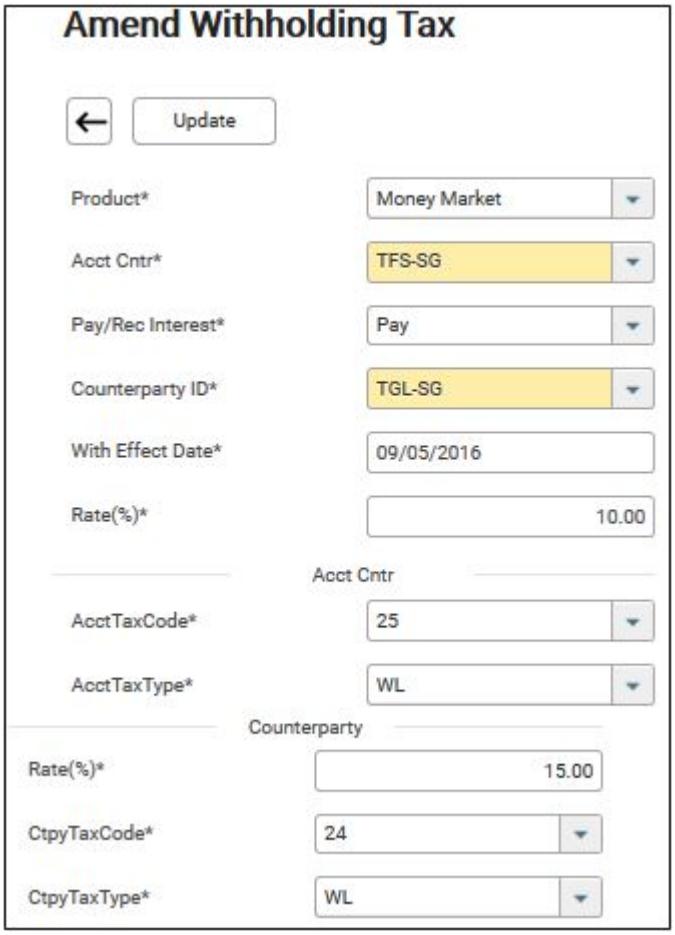
12. Once is approved, you will not see the “N” under App? Column.



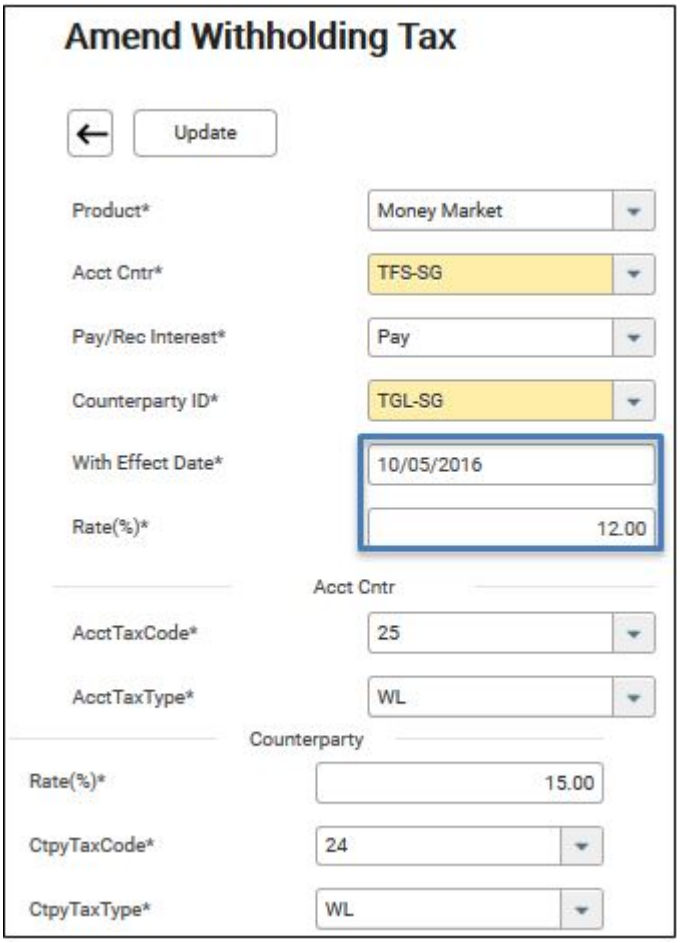
13. If change needs to be made, click on the Acct Cntr hyperlink.



14. The system displays the Amend Withholding Tax screen.



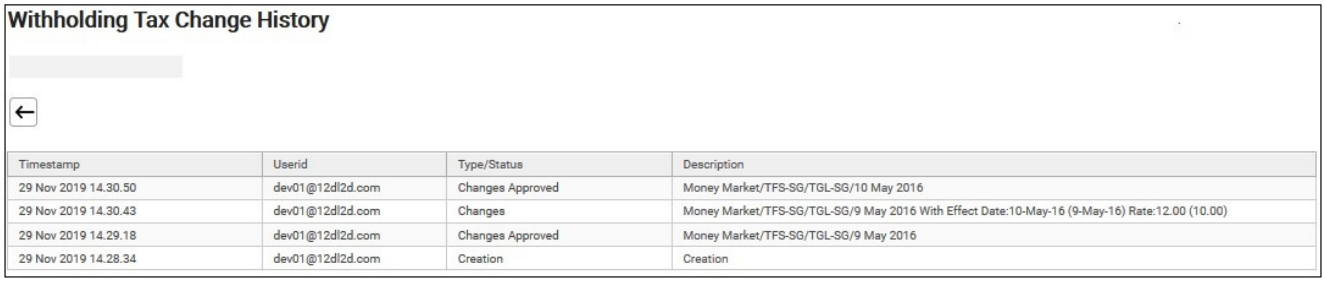
15. Make the necessary changes. In this example, the With Effect Date and Acct Cntr's Withholding Tax Rate will be changed.



16. Click Update.

17. Amendments made requires approval again. Click on the checkbox of the withholding tax amended and click Approve.

18. Changes to the withholding tax can also be tracked. Click on the checkbox beside the withholding tax set up and click History. System will display the changes made to the withholding tax set up.



Timestamp	Userid	Type/Status	Description
29 Nov 2019 14.30.50	dev01@12dl2d.com	Changes Approved	Money Market/TFS-SG/TGL-SG/10 May 2016
29 Nov 2019 14.30.43	dev01@12dl2d.com	Changes	Money Market/TFS-SG/TGL-SG/9 May 2016 With Effect Date:10-May-16 (9-May-16) Rate:12.00 (10.00)
29 Nov 2019 14.29.18	dev01@12dl2d.com	Changes Approved	Money Market/TFS-SG/TGL-SG/9 May 2016
29 Nov 2019 14.28.34	dev01@12dl2d.com	Creation	Creation

19. To delete a withholding tax set up, tick on the checkbox of the withholding tax set up to delete and click Delete.



FREQUENTLY ASKED QUESTIONS

RELATED DOCUMENT

Accounting Treatments

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created
05-May-2016	Clarissa	Rewritten. Reformatted.
24-Aug-2018	Silpa	Updated step 1.
29-Nov-2019	Lyra	Updated Screenshots.