



Form 1042-S Guide for International Customers

TAX YEAR 2022

Before we get started ...

Whether you're a seasoned trader and have been around the block when it comes to taxes or new to trading, we made this tax form guide to help familiarize yourself with these tax documents.

If you're wondering why you received a Form 1042-S then head to the next page to learn about the possible reasons. Next, see Layout Guide (p. iii) to determine the layout of this guide.

If you have any questions, then please visit the **Tax Center** section of our **Help Center**.

—the tastyworks business team

Table of Contents

International customers that have transactions resulting in any income such as a dividend payment will receive a Form 1042-S. Typically, this form is only a few pages long, but, of course, that depends on account activity.

Form 1042-S Recipient
Summary Statements. **1**

Form 1042-S **4**



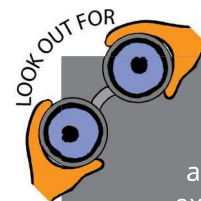
Did you receive income?

Did your account receive ...

- A cash or stock dividend?
- Interest payment?

... then you can expect a

Form 1042-S



Looking for an Explanation?

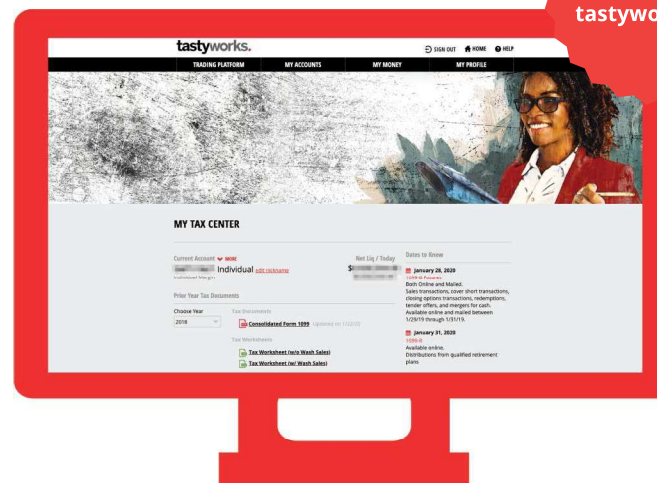
Each source of income is coded accordingly and will have a Form 1042-S. You can find an explanation of each income code on the page following your Form 1042-S. We'll go into more detail about this on page 1.

What about the money I made from trading?

An account that only made money on trades and did not receive any sources of income, such as a dividend or interest payment, may not receive a Form 1042-S.

To view your portfolio's profit or loss on trades, head to our **Tax Center** by logging in to your account at manage.tastyworks.com > My Accounts > Tax Center. There, you can download your **Tax Worksheets** (with and without wash sales) as well as a **Year-to-Date Data Export (CSV) file** (spreadsheet) to help determine your portfolio's total profit or loss.

check out our
tax center @
tastyworks.com



Layout Guide

Headline and Subhead

The top line (or headline) lists the form explained in the illustration below and the subhead is a short description.

Enlarged form

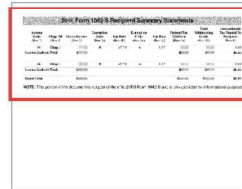
An expanded view of the tax form mentioned displays here and any callouts are in red circles with a letter.

Mentions

Keep a look out for any special mentions. They appear on some pages and provide greater depth to the form.

Recipient Summary Statements (cont.)

The majority of customers will fall under Chapter 3 withholding since international customers can only open individual accounts at this time. This section explains the tax rate assessed on any income received.



20XX Form 1042-S Recipient Summary Statements									
Income Code (Box 1)	Chap. 3/4 (Box 3)	Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)	Total Withholding Credit (Box 10)	Overwithheld Tax Repaid To Recipient (Box 9)
06	Chap. 3		00	30.00	15	0.00			0.00
Income Code 06 Total		\$							\$0.00
34	Chap. 3		00	30.00	15	0.00			0.00
Income Code 34 Total		\$							\$0.00
Grand Total		\$							\$0.00

NOTE: This portion of the document is not part of the official IRS Form 1042-S and is only provided for informational purposes.



income in the eyes of the IRS

The IRS considers cash received from a dividend or interest payment as income. As a result, income sources are subject to tax withholding, determined by the tax treaty the U.S. has with your country. However, please refer to the Year-to-Date Data Export (CSV) file and Tax Worksheets (CSV) in our Tax Center if you're wondering about your total taxable gain or loss from regular trading activity.

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2020 FORM 1042-S GUIDE 2

Wayfinder

This graphic displays an overall view of the document displayed and the portion mentioned.

Description of Callouts

Detailed description of each callout lists here.

A

Chapter 3 Exemption Codes

"00" in the exemption code column (box 3a) indicates that the payee is subject to Chapter 3 exemption. If there is a special rate determined by a tax treaty between the U.S. and the payee's country, then the treaty's rate will appear in box 3b. If the payee did not submit a Tax Identification Number (TIN) during the application process, then the payee will be subject to a tax rate of 30% by default.

B

Chapter 4 Exemption Codes

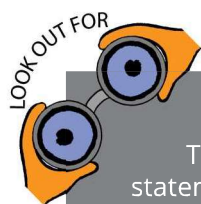
Most customers will see Chapter 4 exemptions with a "15" listed as their exemption code. This code denotes that the payee is not subject to Chapter 4 withholding, and the reason why "0.00" lists as the tax rate in this area.

Recipient Summary Statements

International customers that receive any income, generally dividends or interest, may be subject to tax withholding. Income received and listed in this summary is solely informational. Below, we'll go over the first three columns of this summary statement. An explanation of the remaining columns is on the following pages.

A Income Code (Box 1)	B Chap. 3/4 (Box 3)	C Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)	Total Withholding Credit (Box 10)	Overwithheld Tax Repaid To Recipient (Box 9)
06	Chap. 3		00	30.00	15	0.00			0.00
Income Code 06 Total									\$0.00
34	Chap. 3		00	30.00	15	0.00			0.00
Income Code 34 Total									\$0.00
Grand Total									\$0.00

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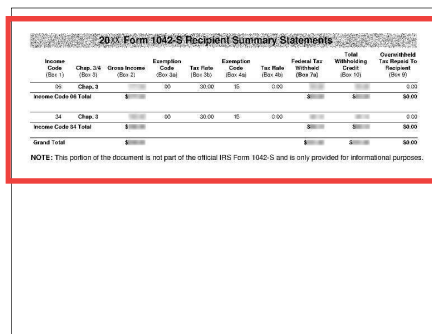
Form 1042-S

The numbers and boxes on this summary statement come from Form 1042-S. Also, each Income Code will have a separate Form 1042-S since each code denotes a different type of income, such as dividends or interest payments. All Box numbers listed on the Summary corresponds to Form 1042-S.

- A Income Code**
The type of income the account received. Some examples of income include but are not limited to, interest payments on cash balances and dividend payments.
- B Withholding Type**
Chapter 3 refers to a foreign payee, and Chapter 4 refers to an entity.
- C Gross Income**
The total amount received without any tax withheld.

Recipient Summary Statements (cont.)

The majority of customers will fall under Chapter 3 withholding since international customers can only open individual accounts at this time. This section explains the tax rate assessed on any income received.



20XX Form 1042-S Recipient Summary Statements

Income Code (Box 1)	Chap. 3/4 (Box 3)	Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)	Total Withholding Credit (Box 10)	Overwithheld Tax Repaid To Recipient (Box 9)
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Income Code 06 Total		\$					\$	\$	\$0.00
34	Chap. 3		00	30.00	15	0.00			0.00
Income Code 34 Total		\$					\$	\$	\$0.00
Grand Total		\$					\$	\$	\$0.00

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20XX Form 1042-S Recipient Summary Statements

Income Code (Box 1)	Chap. 3/4 (Box 3)	Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)	Total Withholding Credit (Box 10)	Overwithheld Tax Repaid To Recipient (Box 9)
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Income Code 06 Total		\$					\$	\$	\$0.00
34	Chap. 3		00	30.00	15	0.00			0.00
Income Code 34 Total		\$					\$	\$	\$0.00
Grand Total		\$					\$	\$	\$0.00

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income in the eyes of the IRS

The IRS considers cash received from a dividend or interest payment as income. As a result, income sources are subject to tax withholding, determined by the tax treaty the U.S. has with your country. However, please refer to the Year-to-Date Data Export (CSV) file and Tax Worksheets (CSV) in our Tax Center if you're wondering about your total taxable gain or loss from regular trading activity.

A Chapter 3 Exemption Codes
 "00" in the exemption code column (box 3a) indicates that the payee is subject to Chapter 3 exemption. If there is a special rate determined by a tax treaty between the U.S. and the payee's country, then the treaty's rate will appear in box 3b. If the payee did not submit a Tax Identification Number (TIN) during the application process, then the payee will be subject to a tax rate of 30% by default.

B Chapter 4 Exemption Codes
 Most customers will see Chapter 4 exemptions with a "15" listed as their exemption code. This code denotes that the payee is not subject to Chapter 4 withholding, and the reason why "0.00" lists as the tax rate in this area.

Recipient Summary Statements (cont.)

The last three columns of the summary page list the total amount of taxes withheld as well as overwithheld from income sources such as dividends or interest payments.

20XX Form 1042-S Recipient Summary Statements							
Income Code (Box 1)	Chap. 3/4 (Box 3)	Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)
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Income Code 06 Total		\$					\$0.00
34	Chap. 3		00	30.00	15	0.00	
Income Code 34 Total		\$					\$0.00
Grand Total		\$					\$0.00

NOTE: This portion of the document is not part of the official IRS Form 1042-S and is only provided for informational purposes.

A Federal Tax Withheld
The total amount of taxes withheld from any gross income, such as a dividend or interest payment.

B Total Withholding Credit
Generally, this will be the same number listed in the Federal Tax Withheld column (Box 7a). This column merely adds up all withheld amounts (Box 8 and 9, which are not pictured but are part of the Form 1042-S).

C Overwithheld Tax Repaid to Recipient
Any overwithheld amount repaid lists here. If applicable, the adjusted amount appears here.

20XX Form 1042-S Recipient Summary Statements							
Income Code (Box 1)	Chap. 3/4 (Box 3)	Gross Income (Box 2)	Exemption Code (Box 3a)	Tax Rate (Box 3b)	Exemption Code (Box 4a)	Tax Rate (Box 4b)	Federal Tax Withheld (Box 7a)
06	Chap. 3		00	30.00	15	0.00	
Income Code 06 Total		\$					\$
34	Chap. 3		00	30.00	15	0.00	
Income Code 34 Total		\$					\$
Grand Total		\$					\$

NOTE: This portion of the document is not part of the official IRS Form 1042-S and is only provided for informational purposes.

Form 1042-S

Each income code (Box 1) listed on the Recipient Summary (previous page) will have a separate Form 1042-S. The boxes and numbers on the Recipient Summary page come from this form. For example, the illustration below has “06” as the income code, which is the code for a “dividend paid by U.S. corporations-general.” Lastly, you’ll notice that the columns listed in the Recipient Summary correspond to the box number in this form.

A Corresponding Boxes
The boxes listed on the Recipient Summary page will correspond with the values on this form.

B Apex Information
Our clearing firm’s information lists in this section since they are aiding in withholding taxes.

C Account Holder Information
The account number and account owner information lists in these areas.

Form **1042-S** Foreign Person's U.S. Source Income Subject To Withholding
Department of the Treasury Internal Revenue Service
OMB No. 1545-0096
Copy B for Recipient

Information about Form 1042-S and its separate instructions is at www.irs.gov/form1042s.
20XX
UNIQUE FORM IDENTIFIER 000000 AMENDED NO. AMENDMENT NO.

1 Income code 06	2 Gross income \$	3 Chapter indicator. Enter "3" or "4" 3	3a Exemption code 00	4a Exemption code 15	13e Recipient's U.S. TIN, if any	13f Ch. 3 status code 16	13g Ch. 4 status code 00
5 Withholding allowance	6 Net income	7a Federal tax withheld \$	7b Check if tax not deposited with IRS pursuant to escrow procedure	8 Tax withheld by other agents \$0.00	9 Tax paid by withholding agent \$0.00	10 Total withholding credit \$	11 Amount repaid to recipient
12a Withholding agent's EIN 13-2967453	12b Ch. 3 status code 01	12c Ch. 4 status code 01	12d Withholding agent's name APEX CLEARING	12e Withholding agent's Global Intermediary Identification Number (GIIN)	13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any	13j LOB code
12f Country code	12g Foreign taxpayer identification number, if any	12h Address (number and street) ONE DALLAS CENTER 350 N. ST PAUL, SUITE 1300 DALLAS TX 75201	12i City or town, state or province, country, ZIP or foreign postal code	13a Recipient's name	13b Recipient's country code	13c Address (number and street)	13d City or town, state or province, country, ZIP or foreign postal code
14a Primary Withholding Agent's Name (if applicable)	14b Primary Withholding Agent's EIN	14c Intermediary or flow-through entity's EIN, if any	14d Intermediary or flow-through entity's name	14e Intermediary or flow-through entity's GIIN	14f Country code	14g Foreign tax identification number, if any	14h Address (number and street)
14i City or town, state or province, country, ZIP or foreign postal code	14j Payer's name	14k Payer's TIN	14l Payer's GIIN	14m Ch. 3 status code	14n Ch. 4 status code	14o State income tax withheld	14p Payer's state tax no.
14q Name of state	14r Payer's state tax no.	14s Name of state	14t Payer's state tax no.	14u Name of state	14v Payer's state tax no.	14w Name of state	14x Payer's state tax no.

Form 1042-S