

Q: What is this?

A: Section 6050W of the Internal Revenue Code requires payment processors (including check/ACH) to report to the IRS for each calendar year beginning January 1, 2011. GETI required to file an annual information return with the IRS and provide each merchant with a corresponding Form 1099-K, reporting monthly and annual gross sales. GETI must validate with IRS that merchant TIN and name both match with IRS records prior to reporting.

Q: Is ISO/Agent responsible for correcting merchants' TIN information?

A: No. But GETI has provided you access to view this data via ISO Online Reporting site as a courtesy if you wish to assist in cleaning up any invalid records. It is the merchant responsibility to correct their information.

Q: What is my online reporting login to access this report?

A: If you have lost your login information, email sales@globaletelecom.com

Q: What is IRS deadline for requiring valid TIN information?

A: It is true that the IRS has decided to delay penalties or backup withholding requirements until January 2013 but the IRS is still requiring processors to report in January 2012 for the 2011 tax year.

Q: How will GETI notify merchants of invalid TIN matching and how do they correct?

A: Affected merchants will receive an Invalid TIN Notice and Fee Disclosure from GETI to be completed with corrected tax reporting information. This form may be faxed to GETI or contact Customer Service to provide it orally. ISOs are also welcome to send GETI the information on the merchant's behalf.

Invalid TIN Notice and Fee Disclosure

Q: The information that GETI has on record is correct but the *Locations with Invalid TINs* report is still showing the location as having an invalid TIN.

A: We are aware that the IRS has reported the TIN and Tax Name as invalid for some merchants even though the merchant supplied an IRS document (SS 4 Form, Social Security Card, any other federal document supplied) that matches the same tax ID information already on record. GETI has agreed to defer to the federal document that was supplied and mark the TIN and Tax name on record as valid. In these cases, we will NOT be assessing an Invalid TIN fee to the location.

SS-4 Application for EIN, SS-4 Notification of Assigned EIN

Q: Can I assume that only the merchants that are missing a TIN on the *Locations with Invalid TINs* report are the only ones that will be affected by the fee?

A: No. All locations on this report either have no TIN on record or the IRS has reported that the TIN, Name, or both was not an exact match to their records.

Q: Many of my merchants are on the *Locations with Invalid TINs* report. Are these considered a priority to correct their TIN information?

A: Yes. Merchants that processed in 2011 or after and merchants boarded in 2011 and after will be affected by the Invalid TIN fee. The *Locations with Invalid TINs* report includes the location activation date and the date of last activity (or DOLA). These merchants have been notified by mail.

Q: My whole portfolio is on this list, can that be accurate?

A: There are several reasons that locations may be on this list. The Tax Identification Number (TIN) and the Tax Reporting Name must both match the IRS records exactly. One or the other may be correct but the IRS will not validate the information until both records are an exact match. Additionally, GETI will not be loading tax information for merchants that have not processed in 2011 (unless they were activated in 2011) since they will not be affected by the Invalid TIN fee or be reported to the IRS for 1099-K filing purposes.

Q: As an ISO, I've been sending tax info to GETI on all merchant applications for years. Why are my merchants on the Locations with Invalid TINs report and showing no TIN on file?

A: Processors were not required to use this info for any tax reporting purposes in previous years. We are inputting all TIN information supplied on merchant applications going forward. GETI is double checking merchant applications for TIN information prior to sending out notice and charging fee to merchant.

Q: How should I handle merchant's who have switched processors and have terminated their processing relationship with my ISO.

A: In many cases, a merchant may change their credit card processor but leave their check service active with GETI. If the merchant is on your Locations with Invalid TINs report, they are still active on check services.

Q: What happens if merchant never provides their correct TIN information?

A: If they process transactions in 2011 and moving forward, or they were boarded in 2011 or after, Merchants will be assessed a \$10/monthly fee starting February or March 2011. And backup withholdings will be collected beginning Jan 2013.

Q: What is GETI's policy in regards to new merchants activated going forward?

A: ISOs should insure that the TIN information is supplied on every merchant application before sending it to GETI. GETI will initially validate new accounts monthly. We have plans in place to implement real time validation this Spring. Merchant applications will not be pended if the Tax information is missing or cannot be validated. ISOs will be notified as courtesy. Merchants will receive the Invalid TIN Notice and Fee Disclosure by mail. The Invalid TIN fee will be assessed if the TIN has not been corrected and validated against the IRS database within 60 days from activation.

Q: When will 1099K to Merchants be going out and what if Merchants don't recognize GETI?

A: 1099-K forms must be mailed out by January 31st. Form will be labeled from GETI but also have ISO's business name to assist merchant in recognizing what form relates to.

Q: What happens if we reported incorrect info but corrected info received after the fact?

A: GETI will be working with our preparer to file corrected returns to the IRS with a copy to the merchant.

Q: How do merchants submit their corrected information?

A: Contact customer service at 1-888-481-0757 option 2 or customersupport@globaletelecom.com.

If you would like more information regarding the 6050W rule, please visit the following helpful links from the IRS:

- http://www.irs.gov/irb/2009-09_IRB/ar11.html (Internal Revenue Bulletin 2009-9)
- <http://www.irs.gov/newsroom/article/0,,id=249029,00.html> (FAQ)
- <http://www.irs.gov/pub/irs-pdf/f1099k.pdf> (1099-K form)
- <http://www.irs.gov/pub/irs-pdf/i1099k.pdf> (1099-K instructions)