constitute authorization to the payer of such income, where tax at the rate of 30 percent has been withheld on or after January 1, 1951, to release and pay over to the person from whom it was withheld an amount equal to the tax so withheld.

(c) *Subsidiary's dividends.* With respect to a dividend paid on or after January 1, 1951, by a domestic corporation to a Swiss corporation whose address is in Switzerland, tax shall be withheld in accordance with the provisions of § 509.2 unless prior to the date of payment of such dividend the Commissioner of Internal Revenue has notified the paying corporation that such dividend falls within the scope of Article VI(2) of the convention. As soon as practicable after information required under § 509.2(b) is filed, the Commissioner of Internal Revenue will determine whether the dividend involved falls within the scope of Article VI(2) and may authorize the release of the excess tax withheld with respect to dividends which come within the scope of such provision.

§ 509.8 Addressee not actual owner.

If the first recipient with an address in Switzerland of any dividend from sources within the United States is a nominee or representative through whom the dividend flows to a third person, such recipient in Switzerland will withhold an additional amount of United States tax equivalent to the difference between the United States tax which would have been withheld had the convention not been in effect (30 percent as at the date of approval of this Treasury decision) and the 15 percent withheld at the source with respect to such dividend pursuant to § 509.2(d).

In any case in which a fiduciary or a partnership with an address in Switzerland receives, otherwise than as a nominee or representative, a dividend from United States sources, if a beneficiary of such fiduciary or a partner in such partnership is not entitled to the reduced rate of tax provided in Article VI of the convention, the fiduciary or partnership will withhold an additional amount of United States tax with respect to the portion of such dividend included in such beneficiary's or part-

ner's net distributive share of the income of such fiduciary or partnership, as the case may be. The amount of the additional tax is to be calculated in the same manner as under the preceding paragraph.

The amounts so withheld by such withholding agents in Switzerland, as well as the amount of tax released with respect to the calendar year 1951 by the withholding agent in the United States in the case of a dividend flowing to a third person through a nominee or representative whose address is in Switzerland, will be deposited by such agents in Swiss francs with the Federal Tax Administration, Berne, Switzerland, Account: ''Zusatzlicher Steuerruckbehalt USA'' (''Additional tax withholdings USA''); and the appropriate Swiss form will be filed therewith. The Federal Tax Administration has arranged that the amounts so deposited will, after adjustment for tax refunded to persons entitled to the reduced rate of 15 percent, be periodically remitted by draft in United States dollars to the Collector of Internal Revenue, Baltimore, Maryland, U.S.A.

§ 509.9 Return of tax withheld and information return with respect to persons whose addresses are in Switzerland.

Every United States withholding agent shall make and file with the collector, in duplicate, an information return on Form 1042F, in addition to the withholding return, Form 1042, for the calendar year 1951 and each subsequent calendar year, with respect to:

(a) Dividends from which a tax of 15 percent was withheld from persons whose addresses are in Switzerland (5 percent in the case of dividends falling within the scope of the provisions of Article VI(2) of the Convention);

(b) Interest (other than coupon bond interest reported on Form 1001–S) from which a tax of 5 percent was withheld from persons who have furnished to the withholding agent Form 1001A–S;

(c) Royalties and like amounts from which no tax was withheld from persons who have furnished to the withholding agent Form 1001A–S; and