

# Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts

Go to [www.irs.gov/Form3520](http://www.irs.gov/Form3520) for instructions and the latest information.

**Note:** All information must be in English. Show all amounts in U.S. dollars. File a **separate** Form 3520 for **each** foreign trust.

For calendar year 20\_\_\_\_, or tax year beginning \_\_\_\_\_, 20\_\_\_\_, ending \_\_\_\_\_, 20\_\_\_\_

- A** Check appropriate boxes:  Initial return  Final return  Amended return
- B** Check box that applies to person filing return:  Individual  Partnership  Corporation  Trust  Executor
- C** Check if any excepted specified foreign financial assets are reported on this form. See instructions . . . . .

**Check all applicable boxes.** See applicable instructions.

- You are **(a)** a U.S. transferor who, directly or indirectly, transferred money or other property during the current tax year to a foreign trust; **(b)** a U.S. person who (1) during the current tax year, transferred property (including cash) to a related foreign trust (or a person related to the trust) in exchange for an obligation, or (2) holds a qualified obligation from the trust that is currently outstanding; or **(c)** the executor of the estate of a U.S. decedent and (1) the decedent made a transfer to a foreign trust by reason of death, (2) the decedent was treated as the owner of any portion of a foreign trust immediately prior to death, or (3) the decedent's estate included any portion of the assets of a foreign trust. **Complete all applicable identifying information requested below and Part I of the form.**
- You are a U.S. owner of all or any portion of a foreign trust at any time during the tax year. **Complete all applicable identifying information requested below and Part II of the form.**
- You are **(a)** a U.S. person (including a U.S. owner) or an executor of the estate of a U.S. person who, during the current tax year, received, directly or indirectly, a distribution from a foreign trust; **(b)** a U.S. person who is a U.S. owner or beneficiary of a foreign trust and in the current tax year, you or a U.S. person related to you received (1) a loan of cash or marketable securities, directly or indirectly, from such foreign trust, or (2) the uncompensated use of trust property; or **(c)** a U.S. person who is a U.S. owner or beneficiary of a foreign trust and in the current tax year such foreign trust holds an outstanding qualified obligation of yours or a U.S. person related to you. **Complete all applicable identifying information requested below and Part III of the form.**
- You are a U.S. person who, during the current tax year, received certain gifts or bequests from a foreign person. **Complete all applicable identifying information requested below and Part IV of the form.**

<b>1a</b> Name of U.S. person(s) with respect to whom this Form 3520 is being filed (see instructions)			<b>b</b> Taxpayer identification number (TIN)	
<b>c</b> Number, street, and room or suite no. If a P.O. box, see instructions.			<b>d</b> Spouse's TIN	
<b>e</b> City or town	<b>f</b> State or province	<b>g</b> ZIP or foreign postal code	<b>h</b> Country	
<b>i</b> If you are filing with your spouse a current-year joint income tax return and a joint Form 3520, check this box . . . . . <input type="checkbox"/>				
<b>j</b> If an automatic 2-month extension applies for the U.S. person's tax return, check this box and attach statement. See instructions . . . . . <input type="checkbox"/>				
<b>k</b> If an extension was requested for the tax return, check this box <input type="checkbox"/> and enter the form number of the tax return to be filed:				

<b>2a</b> Name of foreign trust (if applicable)			<b>b</b> Employer identification number (EIN), if any	
<b>c</b> Number, street, and room or suite no. If a P.O. box, see instructions.			<b>d</b> Date foreign trust was created	
<b>e</b> City or town	<b>f</b> State or province	<b>g</b> ZIP or foreign postal code	<b>h</b> Country	

**3** Did the foreign trust appoint a U.S. agent (defined in the instructions) who can provide the IRS with all relevant trust information?  **Yes**  **No**  
 If "Yes," complete lines 3a through 3g. If "No," and you are required to complete Part I, complete lines 15 through 18.

<b>3a</b> Name of U.S. agent			<b>b</b> TIN, if any	
<b>c</b> Number, street, and room or suite no. If a P.O. box, see instructions.				
<b>d</b> City or town	<b>e</b> State or province	<b>f</b> ZIP or postal code	<b>g</b> Country	

<b>4a</b> Name of U.S. decedent (see instructions)	<b>b</b> Address	<b>c</b> TIN of decedent		
<b>d</b> Date of death		<b>e</b> EIN of estate		

- f** Check applicable box.
- U.S. decedent made transfer to a foreign trust by reason of death.
- U.S. decedent treated as owner of foreign trust immediately prior to death.
- Assets of foreign trust were included in estate of U.S. decedent.

Part I Transfers by U.S. Persons to a Foreign Trust During the Current Tax Year (see instructions)

5a Name of trust creator, b Address, c TIN, if any
6a Country code of country where trust was created, b Country code of country whose law governs the trust, c Date trust was created
7a Will any person (other than the foreign trust) be treated as the owner of the transferred assets after the transfer?
b (i) Name of foreign trust owner, (ii) Address, (iii) Country of residence, (iv) TIN, if any, (v) Relevant Code section
8 Was the transfer a completed gift or bequest?
9a Now or at any time in the future, can any part of the income or corpus of the trust benefit any U.S. beneficiary?
b If "No," could the trust be revised or amended to benefit a U.S. beneficiary?
10 Reserved for future use

Schedule A—Obligations of a Related Trust (see instructions)

11a During the current tax year, did you transfer property (including cash) to a related foreign trust in exchange for an obligation of the trust or an obligation of a person related to the trust?
b Were any of the obligations you received (with respect to a transfer described in line 11a above) qualified obligations?

Table with 4 columns: (i) Date of transfer giving rise to obligation, (ii) Maximum term, (iii) Yield to maturity, (iv) FMV of obligation

12 With respect to each qualified obligation you reported on line 11b, do you agree to extend the period of assessment of any income or transfer tax attributable to the transfer, and any consequential income tax changes for each year that the obligation is outstanding, to a date 3 years after the maturity date of the obligation?
Note: You have the right to refuse to extend the period of limitations or limit this extension to a mutually agreed-upon issue(s) or mutually agreed-upon period of time.

Schedule B—Gratuitous Transfers (see instructions)

13 During the current tax year, did you make any transfers (directly or indirectly) to the trust and receive less than FMV, or no consideration at all, for the property transferred?
If "Yes," complete columns (a) through (i) below and the rest of Schedule B, as applicable. When completing columns (a) through (i) with respect to each nonqualified obligation, enter -0- in column (h).
If "No," go to Schedule C.

Table with 9 columns: (a) Date of transfer, (b) Description of property transferred, (c) FMV of property transferred, (d) U.S. adjusted basis of property transferred, (e) Gain recognized at time of transfer, if any, (f) Excess, if any, of column (c) over the sum of columns (d) and (e), (g) Description of property received, if any, (h) FMV of property received, (i) Excess of column (c) over column (h)

14 If you have a sale or loan document in connection with a transfer reported on line 13, complete 14a through 14c and attach the relevant document(s).
Are you attaching a copy of any of the following?
a Sale document
b Loan document
c Subsequent variances to original sale or loan documents

**Part I Schedule B—Gratuitous Transfers** *(continued)*

**Note:** Complete lines 15 through 18 only if you are required to complete Part I and answered “No” to line 3, acknowledging that the foreign trust did not appoint a U.S. agent to provide the IRS with all relevant trust information.

15	(a) Name of beneficiary	(b) Address of beneficiary	(c) U.S. beneficiary?		(d) TIN, if any
			Yes	No	
16	(a) Name of trustee	(b) Address of trustee	(c) TIN, if any		
17	(a) Name of other person with trust powers	(b) Address of other person with trust powers	(c) Description of powers	(d) TIN, if any	

**18** If you checked “No” on line 3, you are required to attach a copy of all trust documents as indicated below. If these documents have been attached to a Form 3520-A or Form 3520 filed within the previous 3 years, attach only relevant updates.

Are you attaching a copy of any of the following?	Yes	No	Attached Previously	Year Attached
<b>a</b> Summary of all written and oral agreements and understandings relating to the trust . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>b</b> Trust instrument . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>c</b> Memoranda or letters of wishes . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>d</b> Subsequent variances to original trust documents . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>e</b> Trust financial statements . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>f</b> Organizational chart and other trust documents . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

**Schedule C—Qualified Obligations Outstanding in the Current Tax Year** (see instructions)

**19** Did you, at any time during your tax year, hold an outstanding obligation of a related foreign trust (or a person related to the trust) that you reported as a qualified obligation in the current tax year?  **Yes**  **No**  
 If “Yes,” complete columns (a) through (f) below for each obligation.

(a) Date of original obligation	(b) Tax year qualified obligation first reported	(c) Amount of principal payments made during your tax year	(d) Amount of interest payments made during your tax year	(e) Balance of the outstanding obligation at the end of the tax year	(f) Does the obligation still meet the criteria for a qualified obligation?	
					Yes	No



**Part III Distributions to a U.S. Person From a Foreign Trust During the Current Tax Year** (continued)

**29** Did you receive a Foreign Grantor Trust Beneficiary Statement from the foreign trust with respect to a distribution?  Yes  No  N/A  
 If "Yes," attach the statement and do not complete the remainder of Part III with respect to that distribution.  
 If "No," complete Schedule A with respect to that distribution. Also, complete Schedule C if you enter an amount greater than zero on line 37.  
 If a foreign non-grantor trust, check "N/A."

**30** Did you receive a Foreign Nongrantor Trust Beneficiary Statement from the foreign trust with respect to a distribution?  Yes  No  N/A  
 If "Yes," attach the statement and complete either Schedule A or Schedule B below. See instructions. Also, complete Schedule C if you enter an amount greater than zero on line 37 or line 41a.  
 If "No," complete Schedule A with respect to that distribution. Also, complete Schedule C if you enter an amount greater than zero on line 37.  
 If a foreign grantor trust, check "N/A."

**Schedule A—Default Calculation of Trust Distributions** (see instructions)

<b>31</b>	Enter amount from line 27 . . . . .		<b>31</b>	
<b>32</b>	Number of years the trust has been a foreign trust, including the current tax year (see instructions) . . . . .	<b>32</b>		
<b>33</b>	Enter total distributions received from the foreign trust during the 3 preceding tax years (or during the number of years the trust has been a foreign trust, if fewer than 3 years, but excluding the current tax year) . . . . .		<b>33</b>	
<b>34</b>	Multiply line 33 by 1.25 . . . . .		<b>34</b>	
<b>35</b>	Average distribution. Divide line 34 by 3.0 (or the number of years the trust has been a foreign trust, if fewer than 3 years, but excluding the current tax year) and enter the result . . . . .		<b>35</b>	
<b>36</b>	Amount treated as ordinary income earned in the current tax year. Enter the smaller of line 31 or line 35 . . . . .		<b>36</b>	
<b>37</b>	Amount treated as accumulation distribution. Subtract line 36 from line 31. If zero, do not complete the rest of Part III . . . . .		<b>37</b>	
<b>38</b>	Applicable number of years of trust. Divide line 32 by 2.0 and enter the result here . . . . .	<b>38</b>		

**Schedule B—Actual Calculation of Trust Distributions** (see instructions)

<b>39</b>	Enter amount from line 27 . . . . .		<b>39</b>	
<b>40a</b>	Amount treated as ordinary income in the current tax year . . . . .		<b>40a</b>	
<b>b</b>	Qualified dividends . . . . .	<b>40b</b>		
<b>41a</b>	Amount treated as accumulation distribution. If zero, do not complete Schedule C below . . . . .		<b>41a</b>	
<b>b</b>	Amount of line 41a that is tax exempt . . . . .	<b>41b</b>		
<b>42a</b>	Amount treated as net short-term capital gain in the current tax year . . . . .		<b>42a</b>	
<b>b</b>	Amount treated as net long-term capital gain in the current tax year . . . . .		<b>42b</b>	
<b>c</b>	28% rate gain . . . . .	<b>42c</b>		
<b>d</b>	Unrecaptured section 1250 gain . . . . .	<b>42d</b>		
<b>43</b>	Amount treated as distribution from trust corpus . . . . .		<b>43</b>	
<b>44</b>	Enter any other distributed amount received from the foreign trust not included on lines 40a, 41a, 42a, 42b, and 43. (Attach explanation.) . . . . .		<b>44</b>	
<b>45</b>	Amount of foreign trust's aggregate undistributed net income . . . . .		<b>45</b>	
<b>46</b>	Amount of foreign trust's weighted undistributed net income . . . . .		<b>46</b>	
<b>47</b>	Applicable number of years of trust. Divide line 46 by line 45 and enter the result here . . . . .	<b>47</b>		

**Schedule C—Calculation of Interest Charge** (see instructions)

<b>48</b>	Enter accumulation distribution from line 37 or line 41a, as applicable . . . . .		<b>48</b>	
<b>49</b>	Enter tax on total accumulation distribution from line 28 of Form 4970. (Attach Form 4970—see instructions.) . . . . .		<b>49</b>	
<b>50</b>	Enter applicable number of years of foreign trust from line 38 or line 47, as applicable (round to nearest half year) . . . . .	<b>50</b>		
<b>51</b>	Combined interest rate imposed on the total accumulation distribution (see instructions) . . . . .		<b>51</b>	
<b>52</b>	Interest charge. Multiply the amount on line 49 by the combined interest rate on line 51 . . . . .		<b>52</b>	
<b>53</b>	Tax attributable to accumulation distributions. Add lines 49 and 52. Enter here and as "additional tax" on your income tax return . . . . .		<b>53</b>	

