Table of Contents

Introduction 1

Tax Treaties 1

Income Tax Treaties 3

What Foreign Asset Reporting Form to File? 4

Potential Failure to File Penalties 5

Comparison of Form 8938 (FATCA) to Form FinCEN114 (FBAR) Filing Rules 7

Types of Foreign Assets and Whether They are Reportable 9

Form 926 11

Filing Requirements 11

Penalties 11

Form 1040-C 13

Former U.S. Citizens and Former U.S. Long-Term Residents 14

Forms 1042 and 1042-S 17

Form 1116 19

Form 1116 Filing Exemption Election 19

Itemized Deduction Election 20

Eligible Foreign Taxes 20

Ineligible Foreign Taxes 20

Preparation Tips 23

Form 2555 27

Non-Qualifying Earned Income 27

Exclusion of Employer Provided Meals and Lodging 28

Double-Dipping 28

Exclusion Election 28

Exclusion Requirements 29

Exclusion Test-Tax Home 29

Exclusion Test-Physical Presence 30

Exclusion Test-Bona Fide Residence 31

Form 3520 35

Mexican Land Ownership 36

Foreign Gifts 36

Distributions 37

Canadian Retirement Accounts 37

Selected Foreign Retirement Accounts Requiring Form 3520 37

Other Reportable Accounts 38

Reporting Requirements 38

Penalties 38

Form 3520-A 41

Mexican Land Trusts 41

Canadian Retirement Accounts 42

Other Exemptions 42

Filing Requirements 42

Penalties 42

Form 5471 43

Penalties 44

Form 8288 45

Exceptions 46

Penalties 47

Form 8621 49 Qualifying Electing Fund Election 51

No QEF Election 52

Mark-to-Market Election 53

Tax Due 53

Penalties 54

Form 8854 55

Deferral of the Payment of Mark-to-Market Tax 55

Who Has to File? 56

U.S. Citizen 56

Long-Term Residents 56

Exemptions 57

Tax Liability 57

Form 8858 59

Who Must File? 59

Filing Requirements 60

Penalties 60

Form 8865 61

Categories of Filers 61

Category 1 – Controllers 61

Category 2 – Shareholders of U.S.-controlled foreign partnerships 61

Category 3 – Contributors 61

Category 4 – Acquisitions, Dispositions, & Changes: Proportional Interest 62

Form 8938 Foreign Financial Assets 65

Filing Requirements 65

Form 8938 Filing Thresholds 65

Specified Person 66

Specified Foreign Financial Assets 66

Reporting Requirement Exceptions 67

Asset Valuation 68

Penalties 69

Basic Questions and Answers on Form 8938 69

Form 8938 & FinCEN Form 114 Chart 75

Form BE-13 79

4 Distinct Versions 79

FinCEN 114 83

Filing Requirements 83

Delinquent Filings 84

Form 1040, Schedule B reporting 84

Who is United States Person? 85

Financial Accounts 86

Financial Interest 89

Signature Authority 90

Reporting Jointly Held Accounts 91

Modified Reporting Requirements 92

Filing Exceptions 92

Recordkeeping 94

FBAR Penalties 95

Delinquent FBAR 96

Penalties 96

Form 926 99

Form 1040-C 103

Form 1042 107

Form 1042-S 109

Form 1116 117

Form 2555 119

Form 8288 123

Form 8621 125

Form 8854 129

Form 8858 135

Form 8865 139

Form 8938 145

SURVEY-NEW FOREIGN DIRECT INVESTMENT IN THE U.S. FORM BE-13A 147

SURVEY-NEW FOREIGN DIRECT INVESTMENT IN THE U.S. FORM BE-13B 160

SURVEY-U.S. FORM BE-13 Claim for Exemption 173

SURVEY-NEW FOREIGN DIRECT INVESTMENT IN THE U.S. FORM BE-13D 179