Form **3520**

Department of the Treasury
Internal Revenue Service

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

File in duplicate. Instructions are separate.

OMB No. 1545-0159

1999

Attachment Sequence No. **120**

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 1999, or tax year beginning , 19 , ending , .

A Check appropriate box(es): See Instructions. ☐ Initial return ☐ Final return ☐ Amended return

B Check box that applies to U.S. person filing return: ☐ Individual ☐ Partnership ☐ Corporation ☐ Trust ☐ Executor

Check all applicable boxes:

☐ **(a)** You are a U.S. transferor who, directly or indirectly, transferred money or other property during the current tax year to a foreign trust, or **(b)** You held an outstanding obligation of a related foreign trust (or a person related to the trust) issued during the current tax year, that you treated as a "qualified obligation" (defined on page 3 of the instructions) during the current tax year. See the instructions for Part I.

☐ You are a U.S. owner of all or any portion of a foreign trust at any time during the tax year. See the instructions for Part II.

☐ **(a)** You are a U.S. person who, during the current tax year, received a distribution from a foreign trust, or **(b)** A related foreign trust held an outstanding obligation issued by you (or a person related to you) during the current tax year that you treated as a "qualified obligation" (defined on page 3 of the instructions) during the current tax year. See the instructions for Part III.

☐ You are a U.S. person who, during the current tax year, received certain gifts or bequests from a foreign person. See the instructions for Part IV.

Service Center where U.S. person filing this return files its income tax return ▶

1a Name of U.S. person(s) filing return			**b** Identification number
c Number, street, and room or suite no. (If a P.O. box, see instructions.)			**d** Spouse's identification number (see instr.)
e City or town	**f** State or province	**g** ZIP or postal code	**h** Country
2a Name of foreign trust (if applicable)	**b** Identification number (if any)		**c** Number, street, and room or suite no.
d City or town	**e** State or province	**f** ZIP or postal code	**g** Country

3 For purposes of section 6048(b), did the foreign trust appoint a U.S. agent (defined on page 4 of the instructions) who can provide the IRS with all relevant trust information? . . . . . ☐ **Yes** ☐ **No**
If "Yes," complete lines 3a through 3g.

3a Name of U.S. agent	**b** Identification number (if any)		**c** Number, street, and room or suite no.
d City or town	**e** State or province	**f** ZIP or postal code	**g** Country
4a Name of U.S. decedent (see instr.)	**b** Address		**c** TIN of decedent
d Date of death			**e** EIN of estate

Part I Transfers by U.S. Persons to a Foreign Trust During the Current Tax Year (See instructions on page 5.)

5a Name of trust creator (if different from line 1a)	**b** Address	**c** Identification number (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 other person be treated as the owner of the transferred assets after the transfer? . . . . . ☐ **Yes** ☐ **No**

b Name of other foreign trust owners, if any **(a)**	Address **(b)**	Country of residence **(c)**	Identification number, if any **(d)**	Relevant code section **(e)**

Under penalties of perjury, I declare that I have examined this return, including any accompanying reports, schedules, or statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature | Title | Date

Preparer's signature | Preparer's SSN or PTIN | Date

For Paperwork Reduction Act Notice, see page 10 of the instructions.

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Part I *(Continued)*

8 Was the transfer a completed gift or bequest? If "Yes," see instructions . . . . . ☐ **Yes** ☐ **No**

9a Can any part of the income or corpus of the trust benefit, now or in the future, any U.S. beneficiary? . . . . ☐ **Yes** ☐ **No**

b If "No," could the trust be revised or amended to benefit a U.S. beneficiary? . . . . . ☐ **Yes** ☐ **No**

10 Will you continue to be treated as the owner of the transferred asset(s) after the transfer? . . . . . ☐ **Yes** ☐ **No**

Schedule A—Obligations of a Related Trust (See instructions on page 5.)

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 a person related to the trust? See instructions . . . . . ☐ **Yes** ☐ **No**

If "Yes," complete Schedule A, as applicable. If "No," go to Schedule B.

b Was the obligation you received a qualified obligation? . . . . . ☐ **Yes** ☐ **No**

If "Yes," complete Schedule A with respect to that obligation. If "No," go to Schedule B.

Note: *The FMV of an obligation (column (d)) is -0- unless it is a qualified obligation.*

Date of transfer giving rise to obligation **(a)**	Maximum term **(b)**	Yield to maturity **(c)**	FMV of obligation **(d)**

12 With respect to each obligation you treated as a "qualified obligation" 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? ☐ **Yes** ☐ **No**

Note: *Generally, you must answer "Yes," if you checked "Yes" to question 11b.*

Schedule B—Gratuitous Transfers (See instructions on page 6.)

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? . . . . . ☐ **Yes** ☐ **No**

If "Yes," complete columns (a) through (i) below and the rest of Schedule B, as applicable.

If "No," do not complete the rest of Schedule B and go to Schedule C.

Date of transfer **(a)**	Description of property transferred **(b)**	FMV of property transferred **(c)**	U.S. adj. basis of property transferred **(d)**	Gain recognized at time of transfer **(e)**	Excess, if any, of column (c) over the sum of columns (d) and (e) **(f)**	Description of property received, if any **(g)**	FMV of property received **(h)**	Excess of column (c) over column (h) **(i)**
Totals ►					$			$

14 You are required to attach a copy of each sale or loan document entered into in connection with a transfer reported on line 13. If these documents have been attached to a Form 3520 filed within the previous 3 years, attach only relevant updates.

Have you attached a copy of:	**Yes**	**No**	**Attached Previously**	**Year Attached**
a Sale document?	☐	☐	☐	
b Loan document?	☐	☐	☐	
c Subsequent variances to original sale or loan documents?	☐	☐	☐	

Part I *(Continued)*

Note: *Complete lines 15 through 18 only if you answered "No" to line 3.*

15 Name of beneficiary **(a)**	Address of beneficiary **(b)**	U.S. beneficiary? **(c)** Yes	No	Identification number, if any **(d)**

16 Name of trustee **(a)**	Address of trustee **(b)**	Identification number, if any **(c)**

17 Name of other persons with trust powers **(a)**	Address of other persons with trust powers **(b)**	Description of powers **(c)**	Identification number, if any **(d)**

18 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 filed within the previous 3 years, attach only relevant updates.

Have you attached a copy of:	Yes	No	Attached Previously	Year Attached
a Summary of all written and oral agreements and understandings relating to the trust?	☐	☐	☐	
b The trust instrument?	☐	☐	☐	
c Memoranda or letters of wishes?	☐	☐	☐	
d Subsequent variances to original trust documents?	☐	☐	☐	
e Trust financial statements?	☐	☐	☐	
f Other trust documents?	☐	☐	☐	

Part I Schedule C—Qualified Obligations Outstanding in the Current Tax Year (See instructions on page 6.)

19 Did you, at any time during the tax year, hold an outstanding obligation of a related foreign trust (or a person related to the trust) that you treated as a "qualified obligation" in the current tax year? . . . . . ☐ **Yes** ☐ **No**
If "Yes," complete columns (a) through (e) below.

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

Part II U.S. Owner of a Foreign Trust (See instructions on page 6.)

20

Name of other foreign trust owners, if any **(a)**	Address **(b)**	Country of residence **(c)**	Identification number, if any **(d)**	Relevant code section **(e)**

21

Country code of country where foreign trust was created **(a)**	Country code of country whose law governs the foreign trust **(b)**	Date foreign trust was created **(c)**

22 Did the foreign trust file Form 3520-A for the current year? . . . . . ☐ **Yes** ☐ **No**
If "Yes," attach the Foreign Grantor Trust Owner Statement you received from the foreign trust. If "No," to the best of your ability, complete and attach a substitute Form 3520-A for the foreign trust. See page 4 of instructions for information on penalties.

23 Enter the gross value of the portion of the foreign trust that you are treated as owning . . . . . ▶ $

Part III Distributions to a U.S. Person From a Foreign Trust During the Current Tax Year (See instructions on page 7.)

24 Cash amounts or FMV of property received, directly or indirectly, during the current tax year, from the foreign trust (exclude loans included on line 25).

Date of distribution **(a)**	Description of property received **(b)**	FMV of property received (determined on date of distribution) **(c)**	Description of property transferred, if any **(d)**	FMV of property transferred **(e)**	Excess of column (c) over column (e) **(f)**
Totals . . . . . ▶					$

Part III *(Continued)*

25 During the current tax year, did you (or a person related to you) receive a loan from a related foreign trust (including an extension of credit upon the purchase of property from the trust)? . . . . . ☐ **Yes** ☐ **No**
If "Yes," complete columns (a) through (g) below with respect to such loans.
Note: *The FMV of an obligation (column (f)) is -0- unless it is a "qualified obligation."*

FMV of loans proceeds **(a)**	Date of original loan transaction **(b)**	Maximum term of repayment of obligation **(c)**	Interest rate of obligation **(d)**	Is the obligation a "qualified obligation"? **(e)**		FMV of obligation **(f)**	Amount treated as distribution from the trust (subtract column (f) from column (a)) **(g)**
				Yes	**No**		
Total . . . . . ▶							$

26 With respect to each obligation you treated as a "qualified obligation" on line 25: Do you agree to extend the period of assessment of any income or transfer tax attributable to the transaction, 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? . . . . . ☐ **Yes** ☐ **No**
Note: *Generally, you must answer "Yes" if you checked "Yes" in column (e) of line 25.*

27 Total distributions received during the current tax year. Add line 24, column (f), and line 25, column (g) . . ▶ $ _____

28 Did the trust, at any time during the tax year, hold an outstanding obligation of yours (or a person related to you) that you treated as a "qualified obligation" in the current tax year? . . . . . ☐ **Yes** ☐ **No**
If "Yes," complete columns (a) through (e) below with respect to each obligation.

Date of original loan transaction **(a)**	Tax year qualified obligation first reported **(b)**	Amount of actual principal payments made during the tax year **(c)**	Amount of actual interest payments made during the tax year **(d)**	Does the loan still meet the criteria of a qualified obligation? **(e)**	
				Yes	**No**

29 Did you receive a Foreign Grantor Trust Beneficiary Statement from the foreign trust with respect to a distribution? ☐ **Yes** ☐ **No**
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.

30 Did you receive a Foreign Nongrantor Trust Beneficiary Statement from the foreign trust with respect to a distribution? ☐ **Yes** ☐ **No**
If "Yes," attach the statement and complete either Schedule A or Schedule B below (see instructions). If "No," complete Schedule A with respect to that distribution.

Schedule A—Default Calculation of Trust Distributions (See instructions on page 8.)

31 Enter amount from line 27 . . . . . .
32 Number of years the trust has been a nongrantor trust (see instructions). ▶ _____
33 Enter total distributions received from the foreign trust during the 3 preceding tax years (or the number of years the trust has been a nongrantor trust, if fewer than 3) . . . . . .
34 Multiply line 33 by 1.25 . . . . . .
35 Average distribution. Divide line 34 by 3 (or the number of years the trust has been a nongrantor trust, if fewer than 3) and enter the result . . . . . .
36 Amount treated as ordinary income earned in the current year. Enter the smaller of line 31 or line 35 . . . .
37 Amount treated as accumulation distribution. Subtract line 36 from line 31. If -0- or less, enter -0- and do not complete the rest of Part III . . . . . .
38 Compute applicable number of years of trust. Divide line 32 by 2 and enter here ▶

Schedule B—Actual Calculation of Trust Distributions (See instructions on page 8.)

39 Enter amount from line 27 . . . . . .
40 Amount treated as ordinary income in the current tax year . . . . . .
41 Amount treated as accumulation distribution. If -0- or less, enter -0- and do not complete the rest of Part III .
42 Amount treated as capital gains in the current tax year . . . . . .
43 Amount treated as distribution from trust corpus . . . . . .
44 Enter any other distributed amount received from the foreign trust not included on lines 40, 41, 42, and 43 (attach explanation) .
45 Amount of foreign trust's aggregate undistributed net income . . . . . .
46 Amount of foreign trust's weighted undistributed net income . . . . . .
47 Compute applicable number of years of trust. Divide line 46 by line 45 and enter here ▶

Part III *(Continued)*

Schedule C—Calculation of Interest Charge (See instructions on page 9.)

48	Enter accumulation distribution from line 37 or 41, as applicable	
49	Enter tax on total accumulation distribution from line 28 of Form 4970	
50	Enter applicable number of years of foreign trust from line 38 or 47, as applicable (round to nearest half-year). ► _____	
51	Combined interest rate imposed on the total accumulation distribution. See Table B on page 9 of instructions	
52	Interest charge. Multiply the amount on line 49 by the combined interest rate on line 51	
53	Tax attributable to accumulated distributions. Add lines 49 and 52. Enter here and as "additional tax" on your income tax return	

Part IV **U.S. Recipients of Gifts or Bequests Received During the Current Tax Year From Foreign Persons** (See instructions on page 9.)

54 During the current tax year, did you receive more than $100,000 during the tax year that you treated as gifts or bequests from a nonresident alien or a foreign estate? See instructions regarding related donors ☐ **Yes** ☐ **No**

If "Yes," complete columns (a) through (c) with respect to each such gift or bequest in excess of $5,000. If more space is needed, attach schedule.

Date of gift or bequest **(a)**	Description of property received **(b)**	FMV of property received **(c)**
Total ►		$

55 During the current tax year, did you receive more than $10,735 that you treated as gifts from a foreign corporation or a foreign partnership? See instructions regarding related donors ☐ **Yes** ☐ **No**

If "Yes," complete columns (a) through (g) with respect to each such gift. If more space is needed, attach schedule.

Date of gift **(a)**	Name of donor **(b)**	Address of donor **(c)**	Identification number, if any **(d)**

Check the box that applies to the foreign donor **(e)**		Description of property received **(f)**	FMV of property received **(g)**
Corporation	Partnership		

56 Do you have any reason to believe that the foreign donor, in making any gift or bequest described in lines 54 and 55, was acting as a nominee or intermediary for any other person? If "Yes," see instructions. ☐ **Yes** ☐ **No**