



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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CONEX-132871-12

UIL: 9999.9800

The Honorable Silvestre Reyes
Member, U.S. House of Representatives
310 North Mesa, Suite 300
El Paso, Texas 79901

Attention:

Dear Congressman Reyes:

I am responding to your inquiry dated June 27, 2012, on behalf of one of your constituents. Your constituent, a U.S. citizen, asked about the tax treatment of funds he would like to transfer from a tax-favored retirement account in Peru to an IRA in the United States.

In general, a foreign account does not meet the requirements of the Internal Revenue Code for a tax-deferred rollover from the foreign account to a U.S. tax-favored retirement account (such as an IRA or a 401(k) plan). As a result, an IRA or 401(k) plan cannot accept such a transfer. Even if an IRA accepts such a transfer in error, the transfer to the IRA will not prevent the distribution from the foreign retirement account from being subject to U. S. income tax.

I hope this information is helpful. Please contact me at _____ if you would like to discuss this issue further.

Sincerely,

Lauson C. Green
Branch Chief, Qualified Plans Branch 1
CC:TEGE:EB:QP1