

» SERVICES FOR TRUSTS

clients
we are passionate about our clients

technical
we value technical excellence

deliver
we deliver on our commitments

teamwork
we respect and collaborate with each other through teamwork

vision
we embrace the vision

The US Tax & Financial Services specialist team of cross border advisors provides tax advice, guidance, planning and compliance services for individuals, partnerships, corporations, trusts and estates for anyone subjected to the US tax system, wherever they may be in the world. Established more than 25 years ago, US Tax & Financial has offices in London, Zurich and Geneva with clients in more than 32 countries.





Our Part in the Trusts Universe

In the US, trusts are commonly used to avoid probate. Trusts can be an integral part of an individual's planning for asset management and protection, estate, and generational planning, as well as income tax planning.

The US tax treatment of non-US trusts involving US-connected persons, e.g. US settlors, US beneficiaries, or certain types of US income, is complex from both a reporting and US tax perspective.

There are a number of scenarios we face daily at USTAXFS involving trusts which include:

CASE 1

US settlor forms a foreign trust with US Beneficiaries. Trust treated as a US grantor trust; US settlor taxed on the income and subject to numerous US reporting requirements.

CASE 2

Non-US person forms a foreign trust that initially has no US beneficiaries, but over time one or more of the beneficiaries becomes a US person. This often occurs when one or more of the beneficiaries moves to the US and become a US resident.

CASE 3

Non-US person forms a foreign trust that is either revocable or has as its only beneficiaries the settlor or the settlor's spouse. Issues arise if the trust makes distributions to US persons, as well as the issues when the Settlor dies.

CASE 4

Non-US person forms a foreign trust with US beneficiaries from the outset.

CASE 5

Non-US settlor forms a trust governed by foreign law but with US trustees or a trust governed by US law but with foreign trustees. Although under both situations there may be legal contacts with the US, under neither situation is the trust a US trust for income tax purposes.

CASE 6

Foreign trust forms US LLC which has effectively connected US sourced income.

CASE 7

Foreign asset protection trusts

In each case the foreign trust may hold its assets through a foreign investment company, which, in turn, may have a number of different foreign (or sometimes even US) investments.

In each case annual income and capital gains analysis is required; a determination of the distributions made to each beneficiary (US and non-US) must be made; and income/gain analysis of each of the underlying investment entities will be necessary to determine the impact of the actual or deemed distributions (dictated by the Internal Revenue Code) to the US beneficiaries.

All foreign-owned US LLCs have an annual filing requirement, no matter what assets it holds, or income it generates. The US LLC filing requirement, is based upon reportable transactions between the US LLC and direct and indirect owners of the US LLC.

These calculations can be extremely complex, and failure to prepare the analysis can result in substantial costs (tax and penalties) to the US beneficiaries.

At US Tax & Financial services, we have a highly experienced and dedicated team of tax professionals who can navigate through the complexities around the US tax matters.

Our Services

ADVISORY

- » Practical and clear advice around the trust structure ensuring US tax efficiency whilst maintaining the integrity of the trust
- » Advise on the US characteristics of a non-US trust and detail the compliance requirements for the US connected persons
- » Provide the necessary US tax calculations (income, basis, financial reporting)
- » Advice in relation to different US States where a US trust is required to be established as part of the planning
- » Assisting the trustee with its obligations under FACTA, QI and CRS regimes

COMPLIANCE

- » Foreign Grantor Trusts (Form 3520A)
- » US Beneficiaries of Foreign Trusts (Form 3520)
- » Income Tax Return US Trust (Form 1041)
- » Income Tax Return Foreign Trusts (Form 1040NR)
- » Foreign Corporations (Form 5471)
- » Disregarded Entity (Forms 8865, 8858)
- » Foreign Owned US LLC (Form 1120, 5472)
- » Foreign Partnership Returns (Forms 1065, 8805, 1042S, K-1)
- » Employer Identification for Trust and other Entities (Forms SS4)
- » FATCA Compliance (W8 Ben's, W-9's, etc.)
- » Trust Beneficiary Statements
- » Account Analysis – For Trust, convert foreign financial statements to US GAAP and TAX, then produce DNI, UNI and PTI calculations for the trust

TRUST FORMATION AND REVIEW

When advising on the effective use a trust, we will address many individual concerns: Asset protection, privacy, spendthrift concerns, charitable goals, legacy planning, providing for loved ones with special needs, and other matters can be addressed by a trust.

If you established a US trust years ago or have a non-US trust with US situs assets, we would be glad to review your current structure and advise as to its current suitability for your goals.

We also work closely with advisors from other jurisdictions to ensure our clients' goals are accomplished from a global perspective. Weaving a path through these complex areas of law requires sophisticated planning and sensitivity to the many family and personal issues related to these matters.

ESTATES **asset protection** FAMILY
TRUSTS
investments



Meet Our Trusts Team

DARLENE F. HART

Founder

Zurich, Geneva

Darlene Hart is the Founder of US Tax & Financial Services (est. 1986). With offices in London, Zurich and Geneva, and clients in over 30 countries, the firm provides US tax advice, planning, and compliance services for individuals, partnerships, corporations, trusts and estates throughout the world. Darlene has over 30 years of tax, accounting, financial and retirement planning experience. Her dynamic presentations on tax and financial matters, including the growing global transparency of the tax industry, make her a sought-after speaker to other professionals, banks, investors, accountants and the general public. Today, much of her efforts are devoted to helping private clients become compliant with their US tax obligations through various voluntary disclosure programs and options available with the Internal Revenue Service. She also advises banks, financial institutions and trust companies on the US government's FATCA legislation, which directly affects their relationships with their US clients, as well as assisting the companies and their beneficiaries in meeting their US tax filing obligations.

SARJUL PATEL

Associate Director

London

Sarjul has over a decade of experience in US and UK taxation. He started his career in tax at Frank Hirth Plc, when he joined the Graduate Programme. Sarjul spent nine years at Frank Hirth, progressing to tax manager in the final two years. He has developed a breadth of experience in US tax matters concerning individuals, corporations and trusts. Sarjul also has extensive experience in the UK taxation of individuals, with a focus on navigating them through what can be a complex tax system. Sarjul's specialty is in dealing with US and UK taxation of High Net Worth Individuals, particularly those with interests in non-US trust structures.