

# Best Practices

## C H E C K L I S T

### FAST Ten Guidelines for Clients with Foreign Accounts

1

#### **Interview the Client**

You can do this in person, give them a separate questionnaire, or include the questions in your Organizer. There is no wrong way to do this.

2

#### **Have the client sign off on their responses to the Foreign Account questions you ask them.**

The questions and their responses will be in your files, and you are protected, should a discrepancy arise in the future.

3

#### **Discuss penalties...**

... especially if you encounter hesitancy or pushback. Sometimes our clients need a little guidance to make the right choice.

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### **Explain to clients that there are information returns.**

Certain accounts and transactions must be reported, but not always taxed (i.e., gifts on Form 3520, etc.).

5

### **Ask about non-U.S. trusts, gifts and inheritances.**

Sometimes we tend to focus only on the bank and brokerage accounts.

6

### **Do not let the client do the currency conversions.**

Always ask them to provide the figures in local currency. They frequently use the wrong date (i.e., today's date), which of course, is not correct.

7

### **Don't forget to include foreign account income on the tax return.**

Remember -- worldwide income is taxable, such as interest, dividends and capital gains, unless specially excluded by a treaty or tax code.



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**Ask about visas and a history of time in and out of the United States.**

This will affect reporting, and day count calculations may be necessary.

9

**Check the Tax Treaty.**

There may be exceptions to the usual rules. But remember -- the exceptions still may require the filing of an FBAR.

10

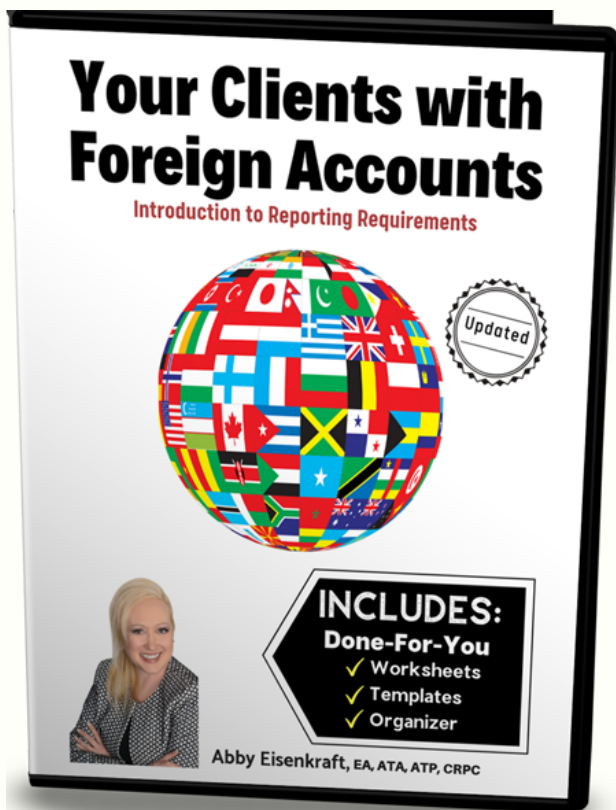
**Make sure you check all applicable boxes on Schedule B!**

Forgetting can cost you AND your client!

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