

Appendix

Summary of filing and reporting obligations required by US citizens residing in Canada

Situation	Form	Due Date	Failure to File Penalty
Ownership or signatory authority over non-U.S. accounts with an aggregate value in excess of \$10,000	TD F 90-22.1 (FBAR)	<ul style="list-style-type: none"> Must be <u>received</u> on or before June 30, with no extensions. May be filed electronically 	<ul style="list-style-type: none"> <u>Non-willful penalty</u> is \$10,000 per year <u>Willful penalty</u> is: <ul style="list-style-type: none"> Greater of 50% of the account or \$100,000 Not more than 5 years in prison <p>31 U.S.C. 5321(a)(5)</p>
Individual has "Specified Foreign Assets". Market value of which exceeds certain thresholds.	8938	If reside outside of U.S. must be filed with individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	<p>Required beginning in 2012 Attached to U.S. income tax return (form 1040)</p> <ul style="list-style-type: none"> Failure to file penalty is \$10,000 if form is not "accurate and complete" If account is disclosed and tax is unreported on the account, penalty is 40% of the tax owed NOTE, no distinction between "willful" and "non-willful" <p>26 U.S.C. 6038D</p>
Transfer money or other property to trust (including TFSA, RDSP, RESP)	3520	If reside outside of U.S. due date is same as individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	<p>Failure to file penalty is 35% of the value of the property transferred</p> <p>26 U.S.C. 6048</p>

Situation	Form	Due Date	Failure to File Penalty
Receipt of distribution from non-U.S. trust (including TFSA, RDSP, RESP)	3520	If reside outside of U.S. due date is same as individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	Failure to file penalty is 35% of the value of the property transferred 26 U.S.C. 6048
Ownership of non-U.S. trust (including TFSA, RDSP, RESP) or trustee of non-U.S. trust, or executor of non-U.S. estate	3520-A	15 th day of the 3 rd month after the trust's tax year (including extensions per form 7004). Note the due date is not automatically extended by filing an extension with the income tax return.	<ul style="list-style-type: none"> Failure to file penalty is greater of \$10,000 or 5% of the amount "owned" by person. 26 U.S.C. 6677(b) Criminal Penalties may apply for failure to file if fraudulent or willful 26 U.S.C. 7203, 7206, 7207
Receipt of gift from non-U.S. Person or distribution from a non-U.S. estate	3520	If reside outside of U.S. due date is same as individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	Failure to file penalty is 5% of the amount of the gift or distribution, not to exceed 25% 26 U.S.C. 6039F
Shareholder, officer, director of certain foreign corporations	5471	If reside outside of U.S. must be filed with individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	Failure to file penalty is \$10,000 and reduction of foreign tax credits 26 U.S.C. 6035, 6038, and 6048
U.S. corporation has 25% or more ownership by non-U.S. person	5472	Must be attached to and filed with the corporation's income tax return (form 1120), which is the 15 th day of the 3 rd month after the end of its tax year.	Failure to file penalty is \$10,000 26 U.S.C. 2038A and 2038C

Situation	Form	Due Date	Failure to File Penalty
Transfer of property (including money) to certain non-U.S. corporations	926	Must be filed with the transferor's income tax return: (a) For individual residing outside the U.S., June 15. Additional 4 month extension to file if form 4868 is timely filed. (b) For corporations and partnerships 15 th day of the 3 rd month after the end of its tax year.	Failure to file penalty is 10% of the value transferred with a maximum of \$100,000 26 U.S.C. 6038B
Ownership of certain non-U.S. partnerships	8865	Must be filed with the income tax return: (a) For individual residing outside the U.S., June 15. Additional 4 month extension to file if form 4868 is timely filed. (b) For corporations and partnerships 15 th day of the 3 rd month after the end of its tax year.	Failure to file penalty is \$10,000 26 U.S.C. 6038, and 6046A
Transfer of property (including money) to certain non-U.S. partnerships	8865	Must be filed with the income tax return: (a) For individual residing outside the U.S., June 15. Additional 4 month extension to file if form 4868 is timely filed. (b) For corporations and partnerships 15 th day of the 3 rd month after the end of its tax year.	Failure to file penalty is 10% of the value transferred with a maximum of \$100,000 26 U.S.C. 6038B
Ownership of non-U.S. insurance policy on U.S. individual (or U.S. insurable interest)	720	Must be filed at the end of the quarter that follows the quarter in which premium payments are made.	<ul style="list-style-type: none"> • Excise tax of 1% on premiums • No failure to file penalty • Joint and several liability with owner broker and issuer 26 U.S.C. 4371

Situation	Form	Due Date	Failure to File Penalty
Ownership of interest in non-U.S. mutual fund	8621	If reside outside of U.S. due date is same as individual tax return (form 1040), June 15. Additional 4 month extension to file if form 4868 is timely filed.	There is currently no penalty for failure to file the 8621.

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