

Question taxpayer regarding history/reason for offshore accounts. Where did idea/decision come from to set up foreign bank accounts/foreign assets.

### **Foreign Assets –**

- **Bank Accounts** – financial institution; account #; approximate balance; year opened; how and why was it opened (purpose); opening balance; nature of deposits (business income/transfers); type of deposits (cash, wire, through an advisor); have accounts been closed/ why; accounts held in another's name for benefit of taxpayer.
- **Brokerage accounts** – communication/correspondence with broker (direct/indirect-through other entity/individual); direct the investment advice; tax advice received; income associated with this account; Owners of this account (direct and indirect); management fees paid; any beneficial owners; account disclosed to return preparer.
- **Entities** (Corporation, Partnership, Foundation, Trust) ownership in foreign entities (go through filing requirements for F5471, F8865, F352, F3520A) for any entity that taxpayer owns – date of creation, still in existence, questions regarding the creation (purchased, created, when, where, process followed, any advice received-from who) purpose of entity, other owners/partners/shareholders/beneficiary/trustee/grantor; country of incorporation/organization; funding of entity; additional money transferred to the entity (when, how much, source of funds)
- **Real Estate** - location, title of property (individually or through an entity) when purchased, when sold, approximate value, source of funds to purchase asset, any income associated with the assets, purpose of the asset (personal/investment)
- **Precious Metals** –sales; income from these assets; how were they acquired (source of funds); how are these assets held- bank account/safe deposit box; are they actually precious metals or shares of precious metals.
- **Jewelry/Art/Other Assets**- sales; income from these assets; how were they acquired (source of funds); how are these assets held- bank account/safe deposit box; custodian of the assets/are they actually precious metals or stock shares of precious metals.

### **Travel**

- Foreign travel – detail each trip and discuss the purpose/duration/multiple destinations
- banks visited; accounts created; visit with professionals (attorney / accountant / banker); discuss legal and/or financial matters
- (request a TECS [Treasury Enforcement Communications Systems] transcript at the beginning of the case so that you can have it prior to interview to be able to verify the taxpayer's answers and gauge the taxpayer's honesty and/or ask specific travel questions during the interview.)

### **Preparation of the Return**

- Contact information for return preparer and other tax/financial professionals

- Return preparer's qualifications
- Documents/information provided to preparer – number of meetings with preparer and topics discussed.
- Offshore transactions – what was disclosed to the preparer
- Questions asked by return preparer in order to prepare tax return; tax questionnaire completed; were offshore issues addressed.
- Why omission of foreign items that were similar to domestic items reported on return (i.e. interest, dividends, capital gains, etc.)
- Any professional advisors (financial advisors, accountants, attorneys, etc) aware of foreign accounts/transactions; advice received.

### **Filing of Quiet Disclosure**

- Reason for filing quiet disclosure
- Knowledge of OVDI – why filed a quiet disclosure and not OVDI; when learned of OVDI/ filing requirements.

### **FBAR**

- Understanding of TD F 90-22.1-how and when learned about this form.
- Discussions with professional advisors (financial advisors, accountants, attorneys, etc)
- Taxpayer's understanding of filing requirements
- Filing history of TD F 90-22.1