

# Foreign Trusts, 2002

by Daniel S. Holik

**T**he Statistics of Income (SOI) study of 2002 foreign trust returns reflects both the substantial and increasing interest in foreign investment by U.S. taxpayers and the new information reporting requirements for foreign trust activity that were instituted by the Small Business Job Protection Act of 1996. From 1990 through 2002, the number of Form 3520 returns filed reporting foreign trust transactions and certain foreign gifts rose by over 3,400 percent, while the number of Form 3520-A foreign “grantor” trust returns filed rose by over 700 percent (Figure A) [1].

U.S. “persons” transferred nearly \$2,190 million in assets to foreign trusts in 2002 [2]. Transfers to Jersey, the Cayman Islands, Bermuda, and the Isle of Man accounted for over 73 percent of the total transferred assets. In addition, some 2,550 foreign grantor trusts reported total assets of \$14,976 million, distributions of \$884 million, and \$359 million of net income for 2002. By comparison, for 1998, the last previous year for which extensive statistics were published, 1,572 foreign grantor trusts reported total assets of \$5,513 million, distributions of \$687 million, and \$339 million of net income [3]. Finally, in transactions generally separate from foreign trust activity, U.S. persons received \$2,305 million of gifts or bequests from nonresident aliens, foreign estates, foreign corporations, and foreign partnerships during 2002.

## Foreign Trust Information Returns

There are two returns--Form 3520, *Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts* and Form 3520-A, *Annual Information Return of Foreign Trust With a U.S. Owner*--used to report information about foreign trusts and gifts. Form 3520 must be filed by U.S. persons to report transfers to and distributions from foreign trusts, as well as the receipt of certain foreign gifts. Form 3520-A must be filed annually by all foreign trusts with at least one U.S. owner. Each Form 3520-A represents one unique foreign grantor trust and provides beneficiary, income statement, and balance sheet information.

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## Recent Legislation

The Small Business Job Protection Act of 1996 (Public Law 104-188) made substantial modifications to the tax law governing foreign trusts in response to concerns of taxpayer abuse [4]. The new law expanded information reporting requirements for U.S. persons who make transfers to foreign trusts and for U.S. owners of foreign trusts. In addition, the Act added new reporting requirements for U.S. beneficiaries of foreign trusts, extensively revised the civil penalties for failure to file information with respect to foreign trusts, and added civil penalties for failure to report certain transfers to foreign entities. The Act also created reporting requirements for U.S. persons who receive large gifts from foreign persons [5].

This SOI study of foreign trusts includes all foreign trust returns (Forms 3520 and 3520-A) filed with tax periods ending during Calendar Year 2002. It is the second SOI study of foreign trust returns since the 1996 modifications to the law [6].

## Trust Taxation

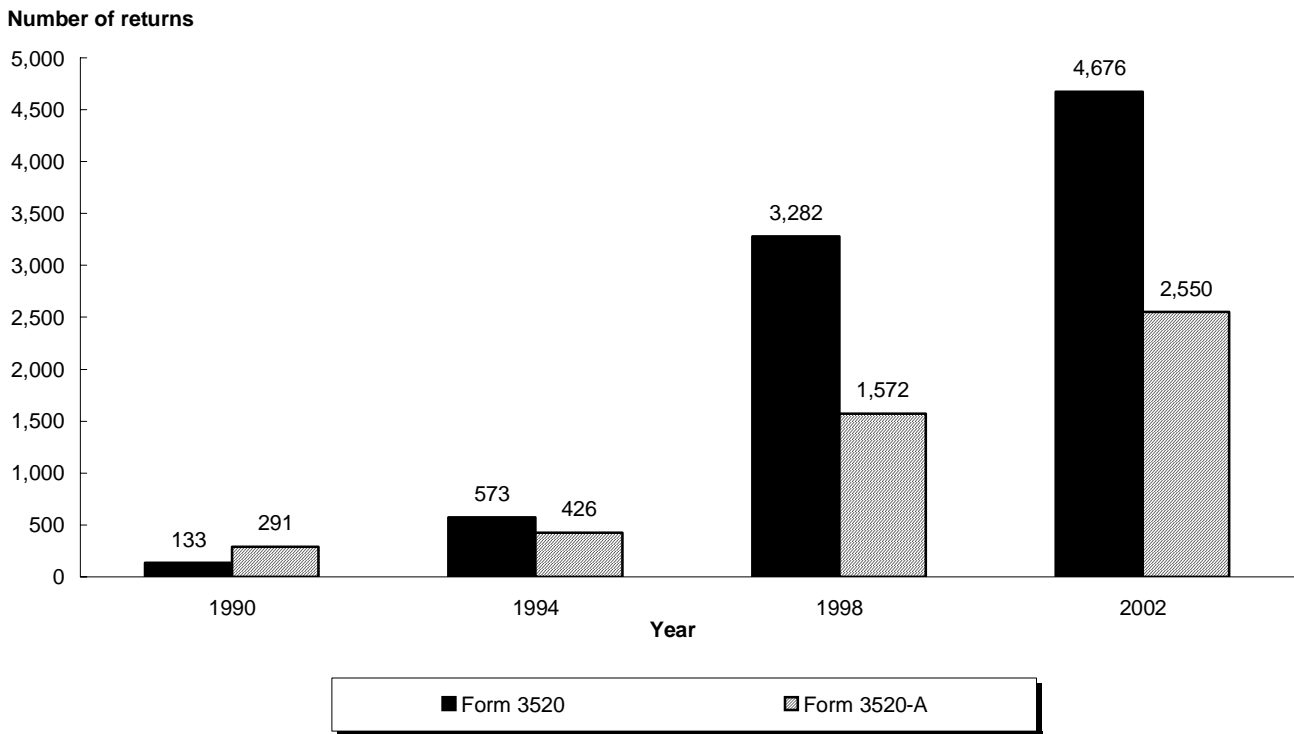
In general, trusts are fiduciary arrangements created by persons (the “grantors”) who transfer their ownership of property to other persons (the “trustees”) subject to an obligation to protect and use that property for the benefit of a different group of persons (the “beneficiaries”) [7]. The property (or “corpus”) can be real, personal, or intangible. The trust arrangement can be an “inter vivos trust” created by a living grantor, or a “testamentary trust” created as the result of the grantor’s will. A transfer to a trust may be permanent (irrevocable) or may be reversible (revocable).

For a trust to exist, there must be separation of its ownership interests, vested in the trustee(s), from its beneficial interests. One person cannot be the grantor, trustee, and sole beneficiary of a trust all at the same time. Trusts may have multiple grantors, trustees, and beneficiaries. In general, when trusts have multiple grantors or beneficiaries, there is a separation of interests between the two parties, and a valid trust arrangement exists.

The fiduciary nature of a trust imposes substantial responsibilities on the trustee(s), including a duty to act solely in the interest of the beneficiary. The powers, duties, restrictions, and obligations of the trust, as well as the rights of the beneficiary, are

**Figure A**

**Number of Returns Reporting Trust Transactions and Certain Gifts (Forms 3520), and Number of Foreign Grantor Trust Returns (Forms 3520-A), by Selected Years, 1990-2002**



based on the provisions of the trust agreement and the laws of the jurisdiction in which the trust was created. The beneficiary has the right to benefit from the trust’s property, usually through receipt of the income produced from investments made by the trustee(s), or from the distribution of the trust property itself.

There are numerous types of trust arrangements, reflecting different motives of their grantors. Trusts are commonly employed for commercial, estate, and gift planning, and charitable purposes. Commercial trusts may be created as structures for profitmaking enterprises, investment activities, and liquidation of assets. In estate and gift planning, trusts may arrange transfer of property at death, provide for family members’ well-being, structure access to assets and income, and avoid probate. Charitable trusts may be used to fund charitable organizations while providing certain income or tax benefits to the grantor or noncharitable beneficiaries [8]. The flexibility of trust arrangements, as shown by these examples, is one reason why trusts are increasing in popularity.

A trust may be “foreign” or “domestic.” Under current law, a trust is treated as foreign unless two conditions both apply: 1) a court in the United States exercises primary supervision over the trust; and 2) one or more persons in the United States have authority to control all substantial decisions of the trust. The creation of a trust may result in U.S. income tax obligation on the grantor, the trust, and/or the beneficiary. In general, domestic trusts are taxed as U.S. citizens or residents, whereas foreign trusts are taxed as nonresident aliens.

Factors a grantor might consider in selecting a jurisdiction in which to create a trust include the political and economic stability of a country, available banking and trust facilities, applicable trust laws, and tax laws. For example, foreign trusts may be created by U.S. persons seeking to take advantage of favorable treatment of property in “tax haven” countries [9]. These countries generally have property, tax, and secrecy laws favorable to foreign persons. For instance, they may seek to attract foreign investment by having no income tax or by offering low income

tax rates. In addition, their courts may refuse to honor adverse judgements made in other jurisdictions. Also, it is not uncommon for tax havens to have bank or commercial secrecy laws that prevent foreign governments from obtaining financial information about persons transacting business in their countries.

A trust may be a “grantor” or “nongrantor” trust. A grantor trust is one in which the grantor retains certain elements of control over the use of trust property or trust income. The grantor may also hold a reversionary interest in the trust, meaning that the grantor has a right to future enjoyment of trust property. The grantor is then treated as the “owner” of the portion of the trust to which his or her power or interest applies [10]. Generally, the grantor trust’s income and expenses attributable to the U.S. owner must be included on the owner’s U.S. income tax return. In addition, under “grantor trust rules,” foreign trusts to which U.S. persons have transferred property are treated as grantor trusts if they have any U.S. beneficiaries [11].

A nongrantor trust is one in which the grantor does not retain any control over the trust assets or income, and the grantor is not treated as the owner by the Internal Revenue Code. Generally, the income from a nongrantor trust is taxed to the beneficiaries as it is distributed.

**Filing Characteristics of Forms 3520**

A Form 3520 must be filed by any U.S. person who: 1) transferred money or other property to a foreign trust after August 20, 1996; or 2) held a “qualified obligation” (note) from a foreign trust which was issued after August 20, 1996; or 3) was a U.S. owner of all or part of a foreign trust at any time during the tax year; or 4) received a distribution from a foreign trust; or 5) received a loan from a foreign trust after August 20, 1996; or 6) received certain gifts or inheritances from a foreign person after August 20, 1996 [12]. Since a foreign trust may have more than one U.S. owner and more than one U.S. beneficiary, multiple Forms 3520 may relate to one foreign trust (which, in turn, would file one Form 3520-A, if it had a U.S. owner).

Most U.S. persons filing Form 3520 were individuals (Figure B). Other filing entities included corporations, executors, partnerships, and domestic

**Figure B**

**Forms 3520, by Type of Filer, 2002**

Type of filer	Number of returns	Percentage of total
<b>Total</b> .....	<b>4,676</b>	<b>100.0</b>
Corporations.....	27	0.6
Executors.....	10	0.2
Individuals.....	4,230	90.5
Partnerships.....	35	0.7
Trusts.....	272	5.8
Unknown.....	102	2.2

trusts. The majority of Forms 3520 filed reported trust transactions or trust ownership, although the percentage of Forms 3520 related to gift or bequest transactions was significant (Figure C).

**Figure C**

**Forms 3520, by Type of Transaction, 2002**

Type of transaction <sup>1</sup>	Number of returns	Percentage of total
<b>Total</b> .....	<b>4,676</b>	<b>100.0</b>
Trust transactions, total.....	3,017	64.5
Grantor trust.....	2,114	45.2
Nongrantor trust.....	648	13.9
Unknown trust.....	255	5.5
Gift or bequest transactions .....	1,573	33.6
Transaction not specified.....	87	1.9

<sup>1</sup> Taxpayers may use a single Form 3520 to report both trust and gift or bequest transactions. Consequently, the sum of total trust transactions plus gift or bequest transactions plus unspecified transactions is greater than the total number of Forms 3520 filed.

NOTE: Detail may not add to total because of rounding.

**Gratuitous Transfers to Foreign Trusts Reported on Form 3520**

A gratuitous transfer is a transaction in which property is transferred to a foreign trust for less than fair market value, or for no consideration in return. For 2002, some \$2,190 million in gratuitous transfers were reported by U.S. persons on 429 Forms 3520. Table 1 presents the fair market value of transferred property, classified by the country in which the foreign trust was created. The total value of transferred property varied widely by country, ranging from a low of \$0.2 million for trusts created in Mexico to a high of \$748.1 million for trusts created in Jersey. Aggregate transfers of over \$100 million

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were also reported to trusts created in Bermuda, the Cayman Islands, the Cook Islands, the Isle of Man, and Liechtenstein.

Figure D presents historical information about property gratuitously transferred to foreign trusts for 1990 through 2002. During that time, the total value of transferred property rose from \$273 million per year to \$2,190 million per year. For the period from 1990 through 1998, the average transfer per trust was approximately \$2 million. For 2002, however, the average transfer per trust rose to approximately \$5 million.

In addition to gratuitous transfers, property may be transferred by U.S. persons to a related foreign trust in exchange for a “qualified” obligation (or note) from the trust. For these cases, “arm’s length” relationships are established between the foreign trusts and the persons holding the obligations [13]. For 2002, there were 13 such transfers, with the fair market value of the obligations totaling \$2.9 million. These transfers are excluded from the data shown in Figure D and Table 1.

### Figure D

#### Forms 3520 with Gratuitous Transfers: Number and Total and Average Transfer Values, by Selected Years, 1990-2002

[Money amounts are in thousands of dollars]

Year	Number of returns with transfers	Transfer value <sup>1</sup>	
		Total	Average
	(1)	(2)	(3)
1990.....	133	272,663	2,050
1994.....	321	614,269	1,914
1998.....	384	851,828	2,218
2002.....	429	2,189,627	5,104

<sup>1</sup> Fair market value. Amounts are in current dollars.

#### Distributions from Nongrantor Foreign Trusts to U.S. Persons Reported on Form 3520

Distributions of \$311 million from nongrantor trusts were reported on Forms 3520 for 2002, a decline from the \$704 million of nongrantor trust distributions reported for 1998. (Distributions from grantor trusts reported on Form 3520-A will be discussed in a later section of this article) [14]. Table 2 presents the value of these distributions classified by

selected country of the foreign trust. The largest amount of distributions, \$67 million, was attributable to trusts located in the Cayman Islands. Other countries with large aggregate distributions were Jersey (\$53 million) and the Bahamas (\$52 million). In addition to, and separate from, these distributions, foreign trusts loaned approximately \$40 million to U.S. persons [15]. A loan from a foreign trust is treated as a distribution unless the obligation issued is a “qualified” obligation, e.g., an obligation that is reflective of an arm’s length relationship between the trust and taxpayer.

There are special “throwback rules” that apply to distributions from foreign trusts. In general, these rules are designed to prevent the accumulation of income by a trust during the trust’s high-income years for distribution to beneficiaries during the trust’s low-income years in order to minimize inter-period beneficiary marginal tax rates. If distributions from a foreign trust exceed a certain amount for a tax year--generally, the “distributable net income” of the trust in that year--the excess is considered to be an “accumulation distribution.” The throwback rules apply to tax beneficiaries on accumulation distributions at a rate equal to the rate that would have been paid had the income been distributed in the year it was earned by the trust [16]. This tax is computed on Form 4970, *Tax on Accumulation Distribution of Trusts*. An interest charge is also imposed on the tax calculated on accumulation distributions, based on the length of time the tax has been deferred. For 2002, approximately \$46 million were treated as accumulation distributions, and the tax attributable to such accumulation distributions (including interest) was \$4.6 million [15].

#### Gifts or Bequests From Foreign Persons Reported on Form 3520

U.S. taxpayers were also required to file Form 3520 if they received either: 1) more than \$100,000 from a nonresident alien individual or foreign estate that was treated as a gift or bequest, or 2) more than \$11,642 that was treated as a gift from a foreign corporation or partnership. Recipients of gifts or bequests were required to aggregate separate gifts from related foreign persons during 2002 in order to ascertain if the \$100,000 or \$11,642 threshold amounts had been met. For 2002, some \$2,124 million were reported as gifts or bequests from nonresident alien individuals

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or foreign estates, while \$181 million were reported as gifts from foreign corporations or foreign partnerships [15]. No U.S. tax was imposed on these gifts or bequests. The total value of gifts or bequests for 2002 (\$2,305 million) is an increase of 75 percent from the value of gifts or bequests for 1998 (\$1,319 million).

### Filing Characteristics of Form 3520-A--Foreign Trusts With U.S. Owners

For 2002, there were 2,550 Form 3520-A information returns filed with the Internal Revenue Service. These returns relate to foreign trusts having at least one U.S. owner under the grantor trust rules of Internal Revenue Code sections 671 through 679. The substantial increase in the number of Forms 3520-A filed may be attributable to both increased foreign trust activity by U.S. taxpayers and the modifications made to information reporting requirements in 1996.

Table 3 presents income statement, expense, distribution, and balance sheet items for these returns classified by the size of the net income or deficit of the foreign trust. Net income or deficit of the foreign trust may be used as one measure of the return on trust assets. For 2002, foreign trusts showed a wide distribution of net income, from returns with a net deficit to returns with income greater than \$10 million. The returns with large net income may reflect the use of foreign trusts as investment vehicles by corporate or partnership entities. Total income of \$472 million and total expenses of \$113 million were reported on these returns. Most of the income (or loss) reported was investment-related, including interest, dividends, capital gains, and partnership income. Aggregate losses were reported in short-term and long-term capital gain (less loss) and ordinary gain (less loss) income categories. These losses may be the result of a general decline in global equity asset prices that began in 2000 and continued through 2002 [17]. After deducting expenses, net income of \$359 million was reported--an average of approximately \$0.1 million per trust. The aggregate value of \$884 million of distributions was more than twice the aggregate size of net income.

The largest asset items reported on Form 3520-A were other assets, nonmarketable and marketable securities. Together, these three groups of assets comprised 75 percent of the \$14,976 million in total

assets. Average total assets per trust rose from approximately \$0.5 million per trust for 1990 to \$5.9 million per trust for 2002. The largest liability item, \$458 million of mortgages payable, made up 68 percent of total liabilities. The total net worth reported, \$14,298 million, was comprised of \$11,732 million of contributions to the trust corpus, \$249 million of accumulated trust income, and \$2,317 million of other net worth.

Table 4 presents the Form 3520-A data classified by the country in which the trust or trustee was located. The Cook Islands, Bermuda, and St. Christopher/Nevis were the most popular jurisdictions for trust location; however, the data show trusts located across the world. Foreign trusts located in the Cayman Islands showed the largest total income (\$132 million), and trusts located in Mexico held the most assets (\$2,617 million). Most of the income for the Cayman Islands trusts was partnership income. In addition, the largest aggregate distribution amount, \$212 million, was attributable to trusts located in the Cayman Islands. Distributions in excess of \$100 million were also reported for trusts located in Jersey.

The composition of trust assets differs by country and may be reflective of many factors, including the different investment opportunities each country afforded. For example, 59 percent of cash assets were held in Jersey, the Cayman Islands, the Bahamas, and the Cook Islands. A large portion (39 percent) of marketable securities assets were held in Switzerland, the Isle of Man, and Liechtenstein, while the largest portions of nonmarketable securities assets were held in the Bahamas, the Isle of Man, the Cayman Islands, and Switzerland. Over one quarter of real property assets were held in Japan.

### Summary

The 2002 foreign trust statistics, reported on Forms 3520 and 3520-A, show the substantial growth of foreign investment by U.S. taxpayers during the last decade and the impact of information reporting requirement changes made in 1996. From 1990 through 2002, the number of Form 3520 returns filed reporting foreign trust transactions and certain foreign gifts rose by over 3,400 percent, while the number of Form 3520-A foreign grantor trust returns filed rose by over 700 percent. The total value of property transferred, as reported on Form 3520, rose from \$273 million for 1990 to \$2,190 million for 2002.

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During the same period, net income reported by foreign grantor trusts increased from \$3 million to \$359 million, and total assets of these trusts increased from \$154 million to \$14,976 million. In addition, for 2002, U.S. persons reported \$311 million of distributions from foreign nongrantor trusts and \$2,305 million of foreign gifts and bequests.

### Data Sources and Limitations

The statistics for 2002 presented in this article were based on all Forms 3520 and 3520-A with tax periods that ended during Calendar Year 2002 filed at the Internal Revenue Service's Philadelphia Service Center [18]. All returns were used for the statistics; consequently, the data are not subject to sampling error.

The data may, however, contain nonsampling errors. For instance, since Forms 3520 and 3520-A are information returns, taxpayer reporting, as originally filed, was occasionally incomplete. Where possible, inconsistencies in the data were resolved to conform with provisions of the Internal Revenue Code. In cases where information reported was not logical, other data on the return were used to resolve errors. For example, in certain cases, U.S. addresses were reported for the "foreign" trust; in such cases, the location of the trustee was used as a proxy for the location of the trust.

The statistics shown in Table 1 pertaining to Forms 3520 with gratuitous transfers were classified by selected country in which the foreign trust was created. However, the country in which the foreign trust was created was unavailable for the statistics pertaining to Forms 3520 with nongrantor trust distributions shown in Table 2. Consequently, these statistics were classified by deriving the country of the foreign trust from the trust's address.

Since a foreign trust may have more than one owner and more than one beneficiary, multiple Form 3520 filings may relate to the one Form 3520-A filed. In these cases, an attempt was made to match and verify information between the Forms 3520 and the Form 3520-A. However, certain returns were unavailable for the statistics, and it was not always possible to match the information.

This study (and the 1998 study) did not include returns filed by owners of Canadian Registered Retirement Savings Plan (RRSP) trusts. The current filing requirements for Forms 3520 and 3520-A exclude filings for RRSP trusts if the trust would

qualify for treaty benefits under the Convention Between the United States and Canada with Respect to Taxes on Income and Capital. Other previous SOI studies of foreign trusts have included RRSP trusts, and data for these trusts are included in the statistics cited in this article for 1990 and 1994. However, for those study years, the aggregate income, asset, and distribution values reported for RRSP trusts were small in comparison to other trusts located in different jurisdictions. As a result, comparisons using the 1990 and 1994 data are not significantly affected by the exclusion of RRSP trusts for 1998 and 2002.

A SOI study of foreign trusts was conducted for 1994; however, most of the data from this study were not published. Consequently, this article makes general comparisons between the published 1990, 1998, and 2002 data. It is important to note, when comparing the 1990, 1998, and 2002 data, that substantial changes to the information reporting requirements for foreign trusts were made in 1996.

### Explanation of Selected Terms

*Beneficiary.*--The person who is to receive the benefits (usually income or tangible property) from the trust. A beneficiary may be the person who created the trust. A trust can have multiple beneficiaries.

*Corpus.*--The property that is held in trust. For tax purposes, this property is distinguishable from accumulations of income by the trust.

*Distributable net income.*--Distributable net income (DNI) is generally the net income of a trust before any deduction for distribution to beneficiaries.

*Executor.*--A person named in a will by the decedent who has the responsibility to execute the terms of the will.

*Grantor (creator or settlor).*--The person who places property in trust. In the case of a revocable trust, the grantor is treated as the owner of the portion of the trust to which his or her power or retained interest applies. A grantor may add assets to a trust after it is established in exchange for beneficial interest in it.

*Owner.*--An owner of a foreign trust is the person who is treated as owning any of the assets of the foreign trust under the grantor trust rules contained in sections 671 through 679 of the Internal Revenue Code.

*Trustee.*--A trustee holds legal title to the assets placed in trust and has the power to manage and control the property. The trustee has a fiduciary duty

to exercise these powers for the benefit of the beneficiaries according to the terms of the governing instrument. The discretion allowed the trustee may range from very broad to strictly limited.

*Trust instrument.*--The legal document that names the parties and establishes the duties and powers of the trustee and the rights of the beneficiaries.

*Trust protector.*--An optional third party, who is usually responsible for monitoring the trustee's performance and can replace the trustee under specified conditions.

*U.S. person.*--The term U.S. person includes individuals, corporations, partnerships, trusts, and estates. Individuals include U.S. citizens and residents.

### Notes and References

- [1] Additional information about Form 3520 and Form 3520-A is included in the "Foreign Trust Information Returns" section of this article. A "grantor" trust is a trust in which the grantor retains certain elements of control over the use of trust property or trust income. The grantor is then treated as the owner of the portion of the trust to which his or her power or interest applies. Additional information about grantor trusts is included in the "Trust Taxation" section of this article.
- [2] A U.S. "person" is any citizen or resident of the United States, a domestic partnership or corporation, or any estate or trust that is not considered foreign. See Internal Revenue Code section 7701 for more information regarding the definition of U.S. persons. A "foreign person" (or entity) is defined as a person other than a U.S. person.
- [3] For more information about foreign trusts for 1998, see Holik, Daniel S., "Foreign Trusts, 1998," *Statistics of Income Bulletin*, Fall 2001, Volume 21, Number 2. Throughout this article, comparisons are made between the published 1998 and 2002 data.
- [4] For a discussion of Congressional concerns about abusive foreign trust arrangements, see the *General Explanation of Tax Legislation Enacted in the 104<sup>th</sup> Congress*, Joint Committee on Taxation, December 16, 1996, pp. 267-278. In 1997, the Internal Revenue Service issued

Notice 97-24, which describes abusive trust arrangements.

- [5] Adapted from Internal Revenue Service Notice 97-34, *Information Reporting on Transactions With Foreign Trusts and on Large Foreign Gifts*.
- [6] SOI foreign trust studies have been conducted since 1979 and are currently conducted once every 4 years. Recent studies were conducted for 1994 and 1998.
- [7] Certain trust arrangements may benefit charities in addition to other beneficiaries. See the ensuing discussion of charitable trusts in this section.
- [8] A comprehensive discussion of the types of trust arrangements is outside the scope of this article. For additional information on certain trust arrangements, see Schreiber, Lisa M., "Split-Interest Trusts, 2002," *Statistics of Income Bulletin*, Winter 2004-2005, Volume 24, Number 3; Ludlum, Melissa, "Domestic Private Foundations and Charitable Trusts, 2001," *Statistics of Income Bulletin*, Fall 2004, Volume 24, Number 2; Belvedere, Melissa, "Charitable Remainder Trusts, 1999," *Statistics of Income Bulletin*, Summer 2002, Volume 22, Number 1; Mikow, Jacob M., "Fiduciary Income Tax Returns, 1997," *Statistics of Income Bulletin*, Winter 2000-2001, Volume 20, Number 3.
- [9] For a discussion of tax haven issues, see *Harmful Tax Competition, An Emerging Global Issue*, Organization for Economic Cooperation and Development (OECD), 1998.
- [10] See the Explanation of Selected Terms section of this article for a definition of the term "owner" of a foreign trust.
- [11] Grantor trust rules are contained in sections 671 through 679 of the Internal Revenue Code.
- [12] Forms 3520 filed by U.S. persons receiving certain gifts or bequests generally do not represent transactions with related foreign trusts.
- [13] In an "arm's length" relationship, the parties in the relationship are on equal footing, free and

independent of each other, and without some special relationship to each other. Hence, an agreement between two parties in an “arm’s length” relationship reflects fair realistic conditions and requirements. The Internal Revenue regulations relating to “qualified” obligations of foreign trusts are intended to impose an “arm’s length” relationship between the foreign trust and the person holding the obligation. Consequently, the interest rates and maturity of qualified obligations must reflect market conditions.

- [14] This article shows separate distribution amounts for taxpayers filing Forms 3520 and Forms 3520-A. These separate statistics do not represent duplicate amounts of distributions from the same transactions. Instructions for the 2002 Form 3520 specify that distributions properly reported by a foreign grantor trust on Form 3520-A need not be separately disclosed again on Form 3520 by a beneficiary. In

addition, the distribution amount presented for Form 3520 filers is for nongrantor trusts only.

- [15] Source: unpublished data, 2002 SOI Foreign Trust study.
- [16] The rules for calculation of “accumulation distributions” for foreign trusts are complex and outside the scope of this article. See Internal Revenue Code sections 665 through 667 for additional information.
- [17] For a discussion of global equity market conditions from 2000 through 2002, see *Financial Market Trends, No. 84, March 2003*, Organization for Economic Cooperation and Development (OECD).
- [18] U.S. taxpayers who receive distributions characterized as accumulation distributions file Form 4970 to compute tax on such distributions. The tax amount computed on Form 4970 is then carried over to Form 3520.  
Source: IRS Statistics of Income Bulletin, Summer 2005, Publication 1136 (Rev. 09-2005.)



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**Table 1.--Forms 3520 with Gratuitous Transfers: Number and Total and Average Transfer Values, by Selected Country Where Trust Was Created, 2002**

[Money amounts are in thousands of dollars]

Country or area	Number of returns with transfers	Transfer value <sup>1</sup>	
		Total	Average
		(1)	(2)
<b>All countries.....</b>	<b>429</b>	<b>2,189,627</b>	<b>5,104</b>
Australia.....	9	2,139	238
Bahamas.....	24	98,157	4,090
Belize.....	8	4,310	539
Bermuda.....	39	249,678	6,402
British Virgin Islands.....	10	52,588	5,259
Canada.....	30	5,027	168
Cayman Islands.....	24	395,741	16,489
Cook Islands.....	58	104,986	1,810
Guernsey.....	6	17,645	2,941
Isle of Man.....	17	209,579	12,328
Jersey.....	21	748,065	35,622
Liechtenstein.....	22	103,770	4,717
Mexico.....	3	249	83
New Zealand.....	13	14,955	1,150
Puerto Rico.....	19	13,321	701
St. Christopher/Nevis.....	46	62,345	1,355
Turks and Caicos Islands.....	6	8,278	1,380
United Kingdom and Northern Ireland.....	10	8,829	883
Not specified or other.....	64	89,967	1,406

<sup>1</sup> Fair market value.

NOTE: Detail may not add to totals because of rounding.

**Table 2.--Forms 3520 with Nongrantor Trust Distributions: Number and Value of Distributions, by Selected Country of Foreign Trust, 2002**

[Money amounts are in thousands of dollars]

Country or area	Number of returns	Distributions
<b>All countries.....</b>	<b>607</b>	<b>311,069</b>
Bahamas.....	41	52,432
Bermuda.....	83	19,878
British Virgin Islands.....	7	1,545
Canada.....	48	15,520
Cayman Islands.....	83	66,915
Guam.....	6	209
Guernsey.....	35	23,963
Ireland.....	3	119
Isle of Man.....	3	535
Jersey.....	52	53,167
Liechtenstein.....	27	4,238
Netherlands Antilles.....	5	598
New Zealand.....	4	175
South Africa, Republic of.....	12	1,751
Switzerland.....	82	27,629
United Kingdom and Northern Ireland.....	43	7,857
Not specified or other.....	73	34,540

NOTE: Detail may not add to totals because of rounding.

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**Table 3.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Size of Net Income or Deficit, 2002**

[Money amounts are in thousands of dollars]

Size of net income or deficit	Number of returns	Income						Short-term capital gain (less loss)
		Total	Interest	Dividends	Rents	Partnership income (less loss)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>All returns.....</b>	<b>2,550</b>	<b>471,728</b>	<b>122,557</b>	<b>134,906</b>	<b>25,970</b>	<b>107,353</b>	<b>-10,944</b>	
Zero or net deficit.....	1,527	-205,249	26,997	18,823	19	-18,692	-31,142	
\$1 under \$25,000.....	489	7,631	3,327	2,069	1,390	129	-422	
\$25,000 under \$50,000.....	119	7,455	2,202	1,500	699	128	49	
\$50,000 under \$100,000.....	114	13,077	4,173	2,395	931	2,454	-860	
\$100,000 under \$250,000.....	126	24,968	11,163	5,833	1,901	-190	-1,349	
\$250,000 under \$500,000.....	63	27,822	8,728	5,305	2,640	1,014	30	
\$500,000 under \$1,000,000.....	34	27,529	6,437	2,425	911	4,635	-1,003	
\$1,000,000 under \$5,000,000.....	52	123,525	21,696	11,584	8,536	4,334	12,450	
\$5,000,000 under \$10,000,000.....	15	97,200	12,346	11,830	--	5,018	470	
\$10,000,000 and over.....	11	347,770	25,488	73,142	8,942	108,524	10,833	

Size of net income or deficit	Income--continued			Expenses			
	Long-term capital gain (less loss)	Ordinary gain (less loss)	Other	Total	Interest	Foreign taxes paid	State and local taxes paid
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>All returns.....</b>	<b>-52,699</b>	<b>-5,224</b>	<b>149,809</b>	<b>113,196</b>	<b>20,529</b>	<b>4,012</b>	<b>2,023</b>
Zero or net deficit.....	-191,456	-6,860	-2,937	53,536	9,565	1,121	627
\$1 under \$25,000.....	373	38	726	4,231	911	92	141
\$25,000 under \$50,000.....	464	135	2,279	3,161	385	38	43
\$50,000 under \$100,000.....	2,221	-82	1,845	4,881	2,278	91	14
\$100,000 under \$250,000.....	2,635	1,073	3,901	4,688	894	205	188
\$250,000 under \$500,000.....	5,589	--	4,515	5,110	1,463	699	72
\$500,000 under \$1,000,000.....	7,663	475	5,986	3,138	320	887	116
\$1,000,000 under \$5,000,000.....	40,957	-4	23,972	15,589	2,359	16	101
\$5,000,000 under \$10,000,000.....	27,544	--	39,991	434	( <sup>1</sup> )	--	( <sup>1</sup> )
\$10,000,000 and over.....	51,310	--	69,531	18,429	2,353	863	721

Size of net income or deficit	Expenses--continued				Net income (less deficit)	Distributions	Assets
	Amortization and depreciation	Trustee and advisor fees	Charitable contributions	Other			Total
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>All returns.....</b>	<b>3,261</b>	<b>17,514</b>	<b>8,806</b>	<b>57,051</b>	<b>358,532</b>	<b>884,237</b>	<b>14,975,785</b>
Zero or net deficit.....	1,440	10,628	4,249	25,906	-258,785	290,440	5,020,499
\$1 under \$25,000.....	175	1,642	8	1,261	3,401	65,191	674,982
\$25,000 under \$50,000.....	119	488	24	2,064	4,294	44,138	260,757
\$50,000 under \$100,000.....	145	783	24	1,548	8,196	63,709	619,415
\$100,000 under \$250,000.....	210	1,013	535	1,643	20,280	51,080	826,690
\$250,000 under \$500,000.....	438	1,168	52	1,219	22,712	70,824	733,503
\$500,000 under \$1,000,000.....	27	600	10	1,177	24,391	10,810	445,285
\$1,000,000 under \$5,000,000.....	921	402	33	11,756	107,936	90,754	2,355,642
\$5,000,000 under \$10,000,000.....	--	177	--	257	96,766	38,390	1,030,244
\$10,000,000 and over.....	-214	613	3,871	10,221	329,340	158,901	3,008,768

Footnotes at end of table.

# Foreign Trusts, 2002

**Table 3.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Size of Net Income or Deficit, 2002--Continued**

[Money amounts are in thousands of dollars]

Size of net income or deficit	Assets--continued						
	Cash	Accounts receivable	Mortgages	Inventory	Government obligations	Marketable securities	Non-marketable securities
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>All returns.....</b>	<b>1,080,796</b>	<b>39,578</b>	<b>1,239,837</b>	<b>135,098</b>	<b>618,254</b>	<b>2,946,409</b>	<b>3,561,891</b>
Zero or net deficit.....	301,105	22,795	523,439	116,110	139,410	1,222,523	991,636
\$1 under \$25,000.....	89,685	441	22,681	187	11,174	234,309	222,827
\$25,000 under \$50,000.....	43,333	1,075	2,801	1,292	17,596	56,354	35,535
\$50,000 under \$100,000.....	48,618	2,978	25,635	1,305	223,609	62,914	128,793
\$100,000 under \$250,000.....	148,849	2,380	66,393	--	62,648	195,666	107,075
\$250,000 under \$500,000.....	80,692	964	17,500	--	88,438	229,471	98,322
\$500,000 under \$1,000,000.....	51,681	1,784	17,990	16,203	23,719	117,185	52,764
\$1,000,000 under \$5,000,000.....	196,621	5,621	174,399	--	51,634	767,905	186,098
\$5,000,000 under \$10,000,000.....	35,628	1,442	387,810	--	26	60,082	540,505
\$10,000,000 and over.....	84,584	99	1,188	--	--	--	1,198,335

Size of net income or deficit	Assets--continued				Liabilities		
	Depreciable assets	Accumulated depreciation	Real property	Other	Total	Accounts payable	Contributions and gifts payable
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>All returns.....</b>	<b>215,352</b>	<b>12,044</b>	<b>456,272</b>	<b>4,694,343</b>	<b>677,748</b>	<b>79,420</b>	<b>3,866</b>
Zero or net deficit.....	51,188	3,832	277,538	1,378,587	385,684	28,837	3,354
\$1 under \$25,000.....	11,810	995	11,948	70,914	37,690	3,396	48
\$25,000 under \$50,000.....	18,091	1,519	13,776	72,423	16,086	249	--
\$50,000 under \$100,000.....	4,659	267	7,608	113,564	55,906	691	--
\$100,000 under \$250,000.....	6,394	773	28,050	210,008	34,993	20,482	275
\$250,000 under \$500,000.....	32,034	194	9,297	176,979	34,515	24,675	189
\$500,000 under \$1,000,000.....	--	--	12,550	151,408	7,876	20	--
\$1,000,000 under \$5,000,000.....	46,561	163	79,370	847,596	101,947	584	--
\$5,000,000 under \$10,000,000.....	--	--	--	4,751	--	--	--
\$10,000,000 and over.....	44,614	4,300	16,134	1,668,113	3,052	485	--

Size of net income or deficit	Liabilities--continued		Net worth			
	Mortgages payable	Other	Total	Contributions to trust corpus	Accumulated trust income	Other
	(36)	(37)	(38)	(39)	(40)	(41)
<b>All returns.....</b>	<b>458,240</b>	<b>136,223</b>	<b>14,298,036</b>	<b>11,732,182</b>	<b>249,060</b>	<b>2,316,795</b>
Zero or net deficit.....	279,587	73,906	4,634,815	4,418,282	80,257	136,276
\$1 under \$25,000.....	23,911	10,335	637,292	408,762	-3,249	231,779
\$25,000 under \$50,000.....	12,031	3,806	244,672	186,714	21,620	36,338
\$50,000 under \$100,000.....	47,741	7,474	563,509	513,885	22,113	27,511
\$100,000 under \$250,000.....	8,172	6,064	791,697	604,209	38,154	149,334
\$250,000 under \$500,000.....	981	8,669	698,988	879,596	-239,768	59,160
\$500,000 under \$1,000,000.....	1,676	6,180	437,409	287,665	109,454	40,290
\$1,000,000 under \$5,000,000.....	84,060	17,304	2,253,694	2,442,271	165,223	-353,800
\$5,000,000 under \$10,000,000.....	--	--	1,030,244	937,268	97,382	-4,406
\$10,000,000 and over.....	81	2,486	3,005,716	1,053,530	-42,127	1,994,313

<sup>1</sup> Less than \$500.

NOTE: Detail may not add to totals because of rounding.

# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002**

[Money amounts are in thousands of dollars]

Country or area	Number of returns	Income					
		Total	Interest	Dividends	Rents	Partnership income (less loss)	Short-term capital gain (less loss)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All countries.....</b>	<b>2,550</b>	<b>471,728</b>	<b>122,557</b>	<b>134,906</b>	<b>25,970</b>	<b>107,353</b>	<b>-10,944</b>
Australia.....	17	470	281	122	117	-34	-49
Bahamas.....	190	107,613	13,964	14,416	-536	-3,455	-2,743
Belize.....	51	3,820	956	248	1,133	312	-825
Bermuda.....	307	56,191	4,277	17,132	228	-256	-1,166
British Virgin Islands.....	43	7,203	847	202	4,001	101	-202
Canada.....	124	2,338	374	487	--	1,522	-123
Cayman Islands.....	193	131,574	5,181	4,802	706	112,842	-4,839
Cook Islands.....	333	-14,926	10,669	4,168	2,508	-3,488	-5,875
Costa Rica.....	19	244	4	8	--	-15	-13
Gibraltar.....	39	-1,372	4,796	640	7	253	-576
Guam.....	7	357	26	8	279	--	( <sup>1</sup> )
Guernsey.....	73	12,449	5,326	3,691	83	22	5,180
Hong Kong.....	4	2,124	33	--	1,900	--	--
Isle of Man.....	112	3,724	10,705	1,567	441	-1,112	-231
Japan.....	4	1,939	1	--	1,235	--	--
Jersey.....	142	-26,796	6,503	2,553	30	-197	554
Liechtenstein.....	83	-4,794	4,589	4,814	( <sup>1</sup> )	3,918	-7,110
Mexico.....	51	85,395	78	66,953	12,358	--	--
New Zealand.....	21	3,329	99	19	639	--	-63
Panama.....	8	704	82	542	86	--	( <sup>1</sup> )
Puerto Rico.....	128	12,481	1,297	1,630	104	( <sup>1</sup> )	3,057
South Africa, Republic of.....	14	360	274	13	60	16	-7
St. Christopher/Nevis.....	230	13,513	1,630	1,575	47	-234	-1,256
St. Vincent and Grenadines.....	24	-2,641	386	151	--	31	-94
Switzerland.....	38	5,977	19,591	6,147	12	-853	-1,307
Turks and Caicos Islands.....	14	107	292	174	-10	60	-225
United Kingdom and Northern Ireland.....	42	-4,297	962	622	35	-3,315	-544
Not specified or other.....	239	74,640	29,334	2,221	506	1,234	7,514

Footnotes at end of table.

# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002--Continued**

[Money amounts are in thousands of dollars]

Country or area	Income--continued			Expenses			
	Long-term capital gain (less loss)	Ordinary gain (less loss)	Other	Total	Interest	Foreign taxes paid	State and local taxes paid
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>All countries.....</b>	<b>-52,699</b>	<b>-5,224</b>	<b>149,809</b>	<b>113,196</b>	<b>20,529</b>	<b>4,012</b>	<b>2,023</b>
Australia.....	-14	--	46	213	67	--	--
Bahamas.....	24,039	670	61,259	16,911	266	831	27
Belize.....	1,202	-98	892	779	631	3	11
Bermuda.....	3,663	-1,524	33,838	5,275	1,860	154	21
British Virgin Islands.....	791	-4	1,467	3,675	667	14	122
Canada.....	-448	31	495	2,440	1,932	54	( <sup>1</sup> )
Cayman Islands.....	-2,275	-495	15,652	9,643	2,692	138	89
Cook Islands.....	-37,223	286	14,029	18,277	2,917	44	392
Costa Rica.....	-23	--	283	72	--	( <sup>1</sup> )	--
Gibraltar.....	-6,634	--	143	992	21	14	--
Guam.....	4	--	40	72	31	11	21
Guernsey.....	1,913	53	-3,819	2,132	112	60	( <sup>1</sup> )
Hong Kong.....	--	--	190	629	--	--	--
Isle of Man.....	-11,390	-22	3,767	3,834	818	47	122
Japan.....	703	--	--	293	269	--	42
Jersey.....	-40,433	120	4,073	6,624	634	539	5
Liechtenstein.....	-9,628	-1,651	274	8,038	319	1,021	35
Mexico.....	4,186	--	1,821	5,514	1,455	( <sup>1</sup> )	774
New Zealand.....	2,325	-2	313	2,306	289	22	2
Panama.....	-10	--	3	122	74	--	8
Puerto Rico.....	4,691	-114	1,815	495	75	152	31
South Africa, Republic of.....	-17	--	22	68	14	11	4
St. Christopher/Nevis.....	11,060	204	486	1,926	180	5	48
St. Vincent and Grenadines.....	-567	--	-2,548	865	45	3	--
Switzerland.....	-20,575	--	2,963	5,603	1,698	618	18
Turks and Caicos Islands.....	-312	-6	134	469	29	4	--
United Kingdom and Northern Ireland.....	-3,079	-116	1,137	1,832	659	84	2
Not specified or other.....	25,352	-2,556	11,036	14,097	2,776	181	248

Footnotes at end of table.

# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002--Continued**

[Money amounts are in thousands of dollars]

Country or area	Expenses--continued				Net income (less deficit)	Distributions	Assets
	Amortization and depreciation	Trustee and advisor fees	Charitable contributions	Other			Total
	(15)	(16)	(17)	(18)			(19)
<b>All countries.....</b>	<b>3,261</b>	<b>17,514</b>	<b>8,806</b>	<b>57,051</b>	<b>358,532</b>	<b>884,237</b>	<b>14,975,785</b>
Australia.....	7	18	--	121	257	675	8,116
Bahamas.....	-462	1,420	3,882	10,946	90,702	35,987	1,429,611
Belize.....	--	105	--	30	3,041	4,154	112,712
Bermuda.....	66	1,398	3	1,773	50,916	19,734	940,131
British Virgin Islands.....	756	178	4	1,934	3,528	3,389	138,369
Canada.....	8	88	99	258	-102	11,505	93,666
Cayman Islands.....	202	2,949	17	3,556	121,931	212,048	1,100,500
Cook Islands.....	773	1,792	314	12,044	-33,203	57,478	1,198,068
Costa Rica.....	--	8	--	64	172	14	5,736
Gibraltar.....	--	431	( 1)	526	-2,364	37,717	200,212
Guam.....	--	5	3	1	285	55	7,044
Guernsey.....	7	592	( 1)	1,360	10,317	8,915	609,052
Hong Kong.....	8	--	--	621	1,494	--	-22,252
Isle of Man.....	141	602	66	2,037	-110	79,091	1,367,231
Japan.....	159	1	--	-178	1,646	--	164,404
Jersey.....	--	1,270	--	4,176	-33,420	113,194	891,978
Liechtenstein.....	247	1,444	28	4,944	-12,831	30,644	681,194
Mexico.....	808	29	--	2,447	79,881	66,996	2,617,367
New Zealand.....	354	6	--	1,633	1,023	2,937	74,872
Panama.....	26	14	--	( 1)	582	1,122	8,924
Puerto Rico.....	( 1)	180	20	36	11,986	2,208	85,962
South Africa, Republic of.....	5	4	--	30	292	289	13,101
St. Christopher/Nevis.....	6	838	94	755	11,587	34,607	304,101
St. Vincent and Grenadines.....	38	221	( 1)	557	-3,505	437	43,227
Switzerland.....	--	2,853	15	402	374	51,503	1,142,751
Turks and Caicos Islands.....	--	95	--	341	-362	1,666	25,266
United Kingdom and Northern Ireland.....	5	191	481	410	-6,129	11,660	57,449
Not specified or other.....	106	781	3,780	6,223	60,543	96,211	1,676,992

Footnotes at end of table.

# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002--Continued**

[Money amounts are in thousands of dollars]

Country or area	Assets--continued						
	Cash	Accounts receivable	Mortgages	Inventory	Government obligations	Marketable securities	Non-marketable securities
	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>All countries.....</b>	<b>1,080,796</b>	<b>39,578</b>	<b>1,239,837</b>	<b>135,098</b>	<b>618,254</b>	<b>2,946,409</b>	<b>3,561,891</b>
Australia.....	1,321	13	184	--	2	856	2,811
Bahamas.....	128,800	2,166	13,770	--	28,315	209,368	682,100
Belize.....	2,793	( <sup>1</sup> )	1,031	--	17,484	21,855	3,437
Bermuda.....	56,460	903	4,896	16,235	14,295	241,178	319,307
British Virgin Islands.....	7,481	145	7,419	22	--	26,374	23,840
Canada.....	1,138	1,609	22,557	--	273	20,283	2,432
Cayman Islands.....	164,687	458	20,045	--	77,862	160,375	479,395
Cook Islands.....	119,486	1,322	50,140	60	56,864	267,900	141,690
Costa Rica.....	96	--	--	--	--	72	393
Gibraltar.....	35,551	1,603	1,558	--	1,812	76,737	13
Guam.....	1,356	960	75	--	--	2,745	217
Guernsey.....	33,776	17,324	59,391	--	24,089	254,992	35,245
Hong Kong.....	2	--	--	--	--	--	--
Isle of Man.....	47,824	1,164	105,475	--	107,617	298,624	516,158
Japan.....	3,713	--	--	--	--	--	--
Jersey.....	223,030	4,131	94,285	--	199,372	214,646	46,226
Liechtenstein.....	56,548	44	64,228	115,407	11,081	298,087	12,857
Mexico.....	861	196	203,504	--	1,685	188	126,929
New Zealand.....	2,997	746	( <sup>1</sup> )	321	--	778	2,262
Panama.....	478	--	--	--	--	2,492	3,771
Puerto Rico.....	1,623	162	165	320	22,874	47,714	8,774
South Africa, Republic of.....	97	18	772	--	--	6,285	72
St. Christopher/Nevis.....	30,836	3,185	26,843	--	3,754	70,059	31,587
St. Vincent and Grenadines.....	7,584	--	--	--	7,527	16,169	1,879
Switzerland.....	69,786	4	927	--	1,011	558,765	467,689
Turks and Caicos Islands.....	1,134	62	3,321	--	--	14,509	1,702
United Kingdom and Northern Ireland.....	9,552	1,292	5,127	2,360	528	16,819	4,919
Not specified or other.....	71,786	2,072	554,124	373	41,807	118,541	646,187

Footnotes at end of table.

# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002--Continued**

[Money amounts are in thousands of dollars]

Country or area	Assets--continued				Liabilities		
	Depreciable assets	Accumulated depreciation	Real property	Other	Total	Accounts payable	Contributions and gifts payable
	(29)	(30)	(31)	(32)	(33)	(34)	(35)
<b>All countries.....</b>	<b>215,352</b>	<b>12,044</b>	<b>456,272</b>	<b>4,694,343</b>	<b>677,748</b>	<b>79,420</b>	<b>3,866</b>
Australia.....	1,205	101	1,792	33	2,797	24	--
Bahamas.....	6,586	1,087	13,091	346,501	40,843	103	3
Belize.....	--	--	2,836	63,276	9,647	--	--
Bermuda.....	2,539	684	6,456	278,547	53,525	1,432	--
British Virgin Islands.....	20,981	-845	27,611	23,651	16,049	51	--
Canada.....	3	1	1,066	44,307	64,239	3,223	--
Cayman Islands.....	19,490	1,651	36,322	143,516	59,459	1,984	--
Cook Islands.....	4,070	415	51,370	505,580	48,982	112	2,155
Costa Rica.....	--	--	--	5,176	--	--	--
Gibraltar.....	--	--	7,029	75,910	1,102	57	--
Guam.....	--	--	1,687	5	27	26	--
Guernsey.....	--	--	920	183,314	6,635	1,796	--
Hong Kong.....	--	--	--	-22,254	--	--	--
Isle of Man.....	8,364	1,411	1,096	282,318	19,480	666	--
Japan.....	26,042	163	126,770	8,043	127,567	39,482	--
Jersey.....	14,434	--	20,523	75,331	63,545	24,827	292
Liechtenstein.....	--	--	648	122,294	7,360	223	--
Mexico.....	84,700	4,624	47,269	2,156,657	2,115	389	--
New Zealand.....	6,636	868	61,182	818	73,467	301	926
Panama.....	1,175	76	--	1,085	1,312	--	--
Puerto Rico.....	5	2	4,161	168	2,204	457	--
South Africa, Republic of.....	59	24	419	5,403	264	24	--
St. Christopher/Nevis.....	469	22	4,461	132,930	10,579	302	61
St. Vincent and Grenadines.....	--	--	--	10,068	517	35	--
Switzerland.....	--	--	12,938	31,632	17,230	268	--
Turks and Caicos Islands.....	--	--	4,178	359	456	25	--
United Kingdom and Northern Ireland.....	--	--	6,595	10,258	8,704	3,400	275
Not specified or other.....	18,594	1,762	15,855	209,417	39,644	212	154

Footnotes at end of table.



# Foreign Trusts, 2002

**Table 4.--Form 3520-A, Foreign Trusts with a U.S. Owner: Income, Expense, and Balance Sheet Items, by Selected Country of Trust or Trustee, 2002--Continued**

[Money amounts are in thousands of dollars]

Country or area	Liabilities--continued		Net worth			
	Mortgages payable	Other	Total	Contributions to trust corpus	Accumulated trust income	Other
	(36)	(37)	(38)	(39)	(40)	(41)
<b>All countries.....</b>	<b>458,240</b>	<b>136,223</b>	<b>14,298,036</b>	<b>11,732,182</b>	<b>249,060</b>	<b>2,316,795</b>
Australia.....	1,821	953	5,319	3,894	547	878
Bahamas.....	34,515	6,222	1,388,769	1,174,743	256,765	-42,740
Belize.....	9,647	--	103,066	87,080	3,227	12,759
Bermuda.....	12,370	39,723	886,606	616,383	149,967	120,256
British Virgin Islands.....	13,407	2,592	122,320	110,053	-249	12,515
Canada.....	58,227	2,789	29,427	21,171	-3,126	11,382
Cayman Islands.....	46,115	11,360	1,041,041	920,168	56,004	64,869
Cook Islands.....	30,722	15,992	1,149,086	1,006,445	48,858	93,784
Costa Rica.....	--	--	5,736	3,393	152	2,192
Gibraltar.....	974	72	199,110	105,805	1,865	91,440
Guam.....	--	1	7,017	5,867	1,461	-311
Guernsey.....	3,031	1,809	602,417	548,011	20,989	33,417
Hong Kong.....	--	--	-22,252	32	-12,814	-9,469
Isle of Man.....	12,261	6,554	1,347,751	1,217,267	102,067	28,416
Japan.....	86,175	1,910	36,837	36,042	795	--
Jersey.....	29,410	9,016	828,433	1,127,132	-365,948	67,250
Liechtenstein.....	--	7,137	673,835	522,926	37,911	112,998
Mexico.....	393	1,333	2,615,252	1,910,672	47,569	657,010
New Zealand.....	71,962	278	1,406	25,949	-21,595	-2,948
Panama.....	1,312	--	7,612	3,806	35	3,771
Puerto Rico.....	306	1,440	83,759	64,636	23,736	-4,613
South Africa, Republic of.....	195	45	12,837	12,633	-15	220
St. Christopher/Nevis.....	7,901	2,315	293,522	202,465	39,648	51,409
St. Vincent and Grenadines.....	--	482	42,710	34,219	6,103	2,388
Switzerland.....	7,219	9,742	1,125,521	951,625	-262,946	436,843
Turks and Caicos Islands.....	404	27	24,810	25,989	-945	-234
United Kingdom and Northern Ireland.....	5,015	14	48,745	31,000	3,553	14,191
Not specified or other.....	24,860	14,419	1,637,348	962,777	115,448	559,123

<sup>1</sup> Less than \$500.

NOTE: Detail may not add to totals because of rounding.