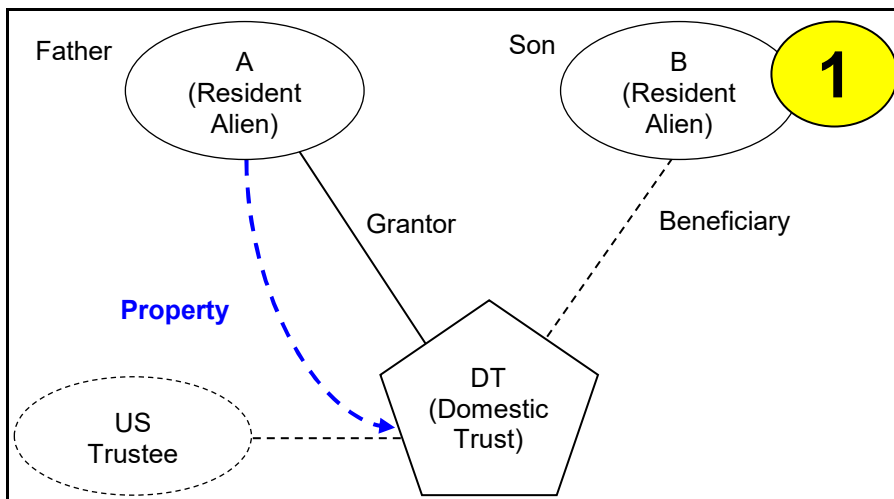
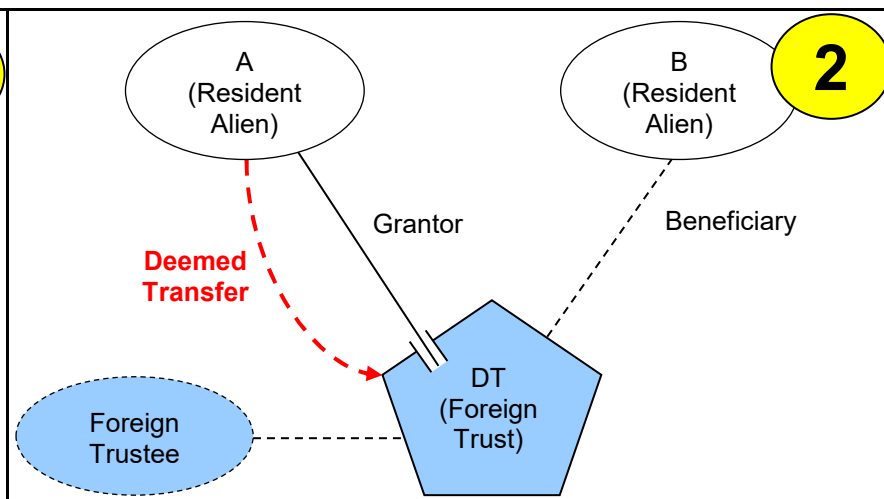


Outbound Migration of Domestic Trust

Transfer to Trust (Jan. 1, 2002)



Acquisition of Foreign Trustee (Jan. 1, 2003)



|| Means grantor trust with respect to that person

A is a resident alien. B, A's son, is also a resident alien. DT is a domestic trust.

On January 1, 2002, A transfers property to DT, for the benefit of B. On January 1, 2003, DT acquires a foreign trustee who has the power to determine whether and when distributions will be made to B. Under section 7701(a)(30)(E) and Reg. 301.7701-7(d)(ii)(A), DT becomes a foreign trust on January 1, 2003. A is treated as transferring property to a foreign trust on January 1, 2003. The property deemed transferred to the trust when it becomes a foreign trust includes undistributed net income, as defined in section 665(a), attributable to the property deemed transferred.

[HUNDREDS of additional charts at www.andrewmitchel.com](http://www.andrewmitchel.com)