

The Four Investment Assets You Do NOT Have to Report to the U.S. Gov't



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Our mission is to empower investors and consumers with unbiased information and advice to keep them in the know to protect their savings, build their wealth and prosper in good times and bad to pass an inheritance to their children's...children.

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Things may seem OK on the surface in America right now.

Sure, the markets have been a wild ride... and the economic news sounds bad... But by and large, the neighborhood you woke up in today feels a lot like it always did.

Your friends still tool around in the same kinds of cars they always did... You and your wife still go for dinner and a movie when you can find a babysitter... And you still go over to your neighbors' house on Saturday to drink a couple beers and watch the football or basketball game on their big-screen TV.

But I can tell you with near certainty that the next few years are going to be a major shock for most people in this country.

The debts our country has rung up are coming due... and we can't afford them anymore... Literally, we cannot afford the interest payments on our national debt.

We're on the cusp of a disaster...

It will result in the biggest government encroachment in our country's history. It's coming hard... and fast. And most people are going to be totally unprepared for the consequences.

I'm talking about much higher taxes... currency controls (I predict in less than two years you will not be able to move any money out of the country)... and the loss of personal freedoms we have taken for granted for more than 100 years will be shot...should I say *"The Matrix" anyone!*

The only good news in this is that it's not too late for you to do something about it.

That's why I've been encouraging everyone I know to take a few simple steps now to protect your money and your family. Now...taking action is a whole different story.

That's what I'm going to show you how to do in this report...take action to change your financial situation. It's the No. 1 thing you'll need to do to protect and grow your wealth.

Shrugging Risk

Most people don't understand how dangerous a narrow tax base is, especially when those few heavily taxed people have the means to exit. Right now, we're running deficits approaching \$2 trillion annually. We can get away with this kind of fiscal behavior for a little while because we control the world's reserve currency (at least for now) and the world thinks of America as a law-and-order place, where people pay their taxes.

Unfortunately for our creditors, only about 1% of Americans pay around 40% of all income taxes. There are roughly 100 million U.S. households, which means about 1 million people are currently paying for about 40% of all the income tax receipts. That doesn't count the big contributions these folks make to the tax base as a whole – their corporate taxes, their sales taxes, the payroll taxes they pay on their employees, etc.

Now... what if this 1% – these million people – decided they don't need a big income anymore? Or what if they decided they'd rather live somewhere else... some place where the weather is always perfect... where a great bottle of wine costs \$5... where a steak dinner (grass-fed beef, no hormones) costs \$10?

Right now...many of them are looking for a place to escape to, where the government will leave them alone... where they are safe... and where they are free to go and do what they please on the cheap.

The Time to Protect Yourself Is Now

Maybe you're content to think heavy taxes aren't your problem... That if a few rich folks feel the pinch, well... what's it to you?

If that's what you think... you're wrong.

Dr. David Eifrig, a well known financial economist recently wrote:

Without belaboring the point, it's unimaginable that the U.S. can pay off its debts in our lifetimes... But here's the catch – it's going to try... Or rather pretend to try. And the only way to do that is to tax the bejeezus out of anyone with a few assets to his name.

Look, this is not a problem just for the wealthy. This is for anyone with a lifetime of savings. Under the current path, everyone who has something will be forced to give it up to those who don't have anything. And worse, we'll be forced to give it to those too lazy to work for anything. I don't know about you, but first and foremost, I want to decide whom my money goes to. I don't want some bureaucrat in D.C. telling me how kind I have to be.

The way to protect yourself from runaway government thievery is to diversify your assets off shore... to move some portion of your wealth out of the country, somewhere safe.

And the time to protect yourself is now... Before the government restricts the flow of currency in and out of the country... Before it outlaws your ability to move you and your assets around... Before it starts confiscating things like gold. (Don't laugh FDR did it.)

I realize pulling up stakes and heading to the Panama isn't realistic for everyone. But that doesn't mean you're trapped, that you have to accept whatever the government has in store...

I have been researching how to do this legally for some time. ("Legally" is critical... Remember, we're talking about this because we *don't* want to jeopardize our freedom.)

Recently, Dr. Eifrig prepared a report detailing a few key steps you can take without uprooting yourself. It's some of the most sensible, nuts-and-bolts advice I've read on the subject. I'm republishing his research in this report because I think everyone with a few assets to protect should take these four steps... at least.

And last, before we get started, you need one other piece of advice: Keep this to yourself. All of Dr. Eifrig's tips are perfectly legal. But as he says, "that doesn't mean the government *wants* you to do these things... To the contrary, if too many people start talking about these things and taking the steps below, the government could easily change the rules."

TIP No. 1: Open a Foreign Bank Account – Soon

If you open up a foreign financial account with less than \$10,000, *you do not have to report*

the assets. This comes under the Foreign Bank and Financial Authority (FBAR) regulations, and the IRS states you only have to report if:

- You have financial interest in, signature authority, or other authority over one or more accounts in a foreign country, and
- The aggregate value of all foreign financial accounts exceeds \$10,000 at any time during the calendar year.

If you keep more than \$10,000 in total overseas, you must report it or risk fines and jail time. (A mere 50% of your assets and up to five years in prison, if a judge decides the oversight was willful.)

Be careful about interest-earning accounts, too. Let's say you put \$9,990 in an account in January and you earn enough interest to take you over \$10,000 by yearend. Well, guess what? Now, you must report the assets and the income.

One more secret: Nothing prevents your spouse and other family members from doing the same. A family of six could keep about \$59,000 in accounts overseas and not need to report it. Again, this is all legal and a great way to diversify your portfolio around the world.

One bank with which you can easily open an account online – no visit required. The bank is Caye International Bank Limited (CIBL) in Belize.

You've probably never heard of CIBL, and that's because foreign banks are not allowed to advertise in the U.S. the same way domestic banks can. But trust me when I tell you Caye Bank is safer than most U.S. banks. You see, Belize mandates its banks maintain 24% capital liquidity versus the 3%-5% in the U.S. In other words, your bank in Belize has cash to cover 24% of the demand deposits it carries. They don't make banks much more liquid than this.

The only drawback is CIBL charges monthly service fees for checking and savings (\$8-\$12.50 depending on your balances). On the other hand, most Canadian and Panamanian banks charge tiny fees – or none at all.

If you're interested in Caye Bank and need help setting things up, go to the website at www.cayebank.bz. Just DON'T tell them I sent you! And for that matter, don't tell anyone else.

Alternately, if you want to avoid the big fees. You can look to open an account with a Canadian bank. The drawback here is you'll have to physically visit Canada and Panama.

Anyone contemplating wealth preservation and international diversification must understand two U.S. government concepts: income tax and reportable assets. If you hold assets offshore, some are reportable to the government and some are not. And if you make income while overseas, it is all reportable, although some of it is exempt (the first \$87,600 a year plus a \$14,000 housing allowance). In our tips below, we've listed ways to legally avoid both reporting assets and paying income taxes while your assets are overseas.

TIP No. 2: Buy a Little Bit of Land

Real estate is perhaps the best way of keeping assets overseas. The reason is simple. *It's not reportable*. And if it generates no income, you pay no tax on it either. Some of the smartest folks I know invested in foreign real estate and now have millions of dollars in assets offshore and out of the reach of the government.

Also, several countries (Panama and Costa Rica, for example) allow you to invest in real estate and even sustainable timber farms. With enough money invested, you can get a permanent visa and even citizenship after five years with little or no questions asked. In addition, real estate can be made more liquid if you place it in a corporation or trust. This makes it easier to sell or transfer your assets.

The publications *International Living* and *Live and Invest Overseas* are two great resources for learning more about international real estate opportunities. You can learn more at their websites: www.internationalliving.com and www.liveandinvestoverseas.com. As a matter of fact, I'm heading to their live and invest overseas scheduled the week of Feb 15-19, 2011 in Quito, Ecuador.

TIP No. 3: Create a Trust to Protect and Build Wealth

The right sort of "trust" offshore can protect assets and provide tax-advantaged income. Trusts can be complex structures but, in a nutshell, they are legal entities that hold assets. They are similar to a company except they only hold securities and assets. They are useful in protecting wealth and using life insurance bought and owned by these trusts can even create more wealth. You should speak to a lawyer about these trusts.

TIP No. 4: Gold and Silver in the Bank

And last, my absolute favorite tip for keeping wealth offshore. Bullion gold and silver (and other metals) are not reportable "YET", nor do they generate taxable income until you sell them. So keeping bullion in a private and secure place overseas is a simple way to hold (and move) assets offshore.

Of course, that requires jetting around the globe with sacks of gold, which can create its own complications.

If you're considering moving some assets overseas, the four methods above are relatively simple ways to control wealth without drawing much attention to yourself. At a very minimum, you can open an account in a friendly nearby country to get started protecting and diversifying your assets.

As I said, it is critical you don't talk to anybody about what you're doing. If word about these four tips gets out too fast, you can be sure Congress will try to shut them down. The country is already in debt to the tune of \$140,000 a person... you'd be foolish not to protect your stash right now. But don't go telling your friends and don't tell the government either.

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