



PANAMA OFFSHORE
L E G A L S E R V I C E S

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NOTICE, DISCLAIMER, WAIVER, & RELEASE

NOTICE TO CLIENTS OF PANAMA OFFSHORE LEGAL SERVICES (POLS) WHO ARE US CITIZENS & RESIDENT ALIENS:

US Citizens and resident aliens' who own or have authority over a foreign bank, brokerage or other financial account, or who are directors, officers, shareholders, trustees or beneficiaries of a foreign (non-US) entity (corporation, foundation, trust, etc) may have reporting requirements to the US Internal Revenue Service and/or the United States Treasury. Resident aliens include permanent US residents (ie. Green Card holders) as well as individuals deemed to be US resident aliens under the substantial presence test. In general, US citizens and resident aliens are taxed on their worldwide income. As such, interest or dividend income earned in a foreign bank account must be reported as taxable income on their annual tax return. To report interest or dividends from a foreign bank account, convert the income into US dollars and include that amount on Form 1040, Schedule B.

United States Internal Revenue Service (IRS) – US Individual Income Tax Return

In addition, owners of a foreign account must complete Form 1040, Schedule B, Part III – Foreign Accounts and Trusts, if at any time during the tax year the combined value of all financial accounts in foreign countries exceeds US\$10,000. The taxpayer should answer “yes” to the question shown on Line 7a and enter the name of the foreign country on line 7b. The IRS uses Form 1040 as an interrogatory for taxpayers to disclose any involvement with foreign financial accounts. Anyone who does not provide the information requested on Schedule B prior to signing their income tax return may become subject to penalties for perjury and to IRS civil and criminal penalties for failing to file truthful tax returns.

United States Treasury – Report of Foreign Bank and Financial Account Information

US Citizens and resident aliens who have financial interest in, or signature, or other authority over any financial accounts, including bank, securities, or other types of financial accounts in a foreign country have an additional reporting requirement to the United States Treasury if the aggregate value of these financial accounts exceeded US\$10,000 at any time during the calendar year. The taxpayer must report the information each calendar year by filing TD F 90-22.1, Report of Foreign Bank and Financial Account Information, with the Department of the Treasury on or before June 30, of the succeeding year. The IRS Commissioner has authority to assess and collect civil penalties imposed with respect to failures to file Form TD F 90-22.1 and to take other actions reasonably necessary for the enforcement of the provisions. Civil penalties for failure to comply with this reporting requirement can be quite severe. Anyone who willfully fails to report an interest in, or authority over, a foreign financial account is subject to a civil penalty up to the greater of (1) the entire balance of the account (not to exceed US\$100,000), or (2) US\$25,000.

DISCLAIMER, WAIVER & RELEASE OF RESPONSIBILITY:

This information is based on our interpretation of the relevant provisions of the Code and regulations, IRS rulings and pertinent court decisions and is not binding upon the IRS, any other administrative body, or the courts. POLS views may be altered by subsequent judicial or regulatory actions and an assessment of the impact any proposed legislation might have on our opinion. Additional reporting obligations on part of the CLIENT may exist under the USA Patriot ACT, FACTA, or other related legislation. POLS, its' attorneys, partners, shareholders, directors, employees, affiliates or subsidiaries shall not under any circumstances be held responsible for updating our opinion for changes in the law, unless otherwise engaged to do so. CLIENT has been advised to consult with their own US tax advisor to determine the impact the foreign account or entity may have on their tax situation, reporting and disclosure requirements. POLS has not provided CLIENT with any US tax advice, nor has POLS encouraged any conducts tending to bypass the legal requirements presented in this section. The CLIENT accepts sole responsibility for failure to comply with applicable US laws and regulations, including, but not limited to those listed in this section, and releases POLS from any past, present or future claims in relation thereto.

ACKNOWLEDGEMENT & ACCEPTANCE:

I, _____, the CLIENT, hereby agree to abide by the laws of my place of incorporation, places of business and/or the country(s) where I reside, do business or have citizenship. I declare that I have read and understand my reporting obligations as a US Citizen or US Resident Alien within the terms and conditions described above, and I hereby release the law firm POLS, its partners, shareholders, directors, officers, employees, affiliates or subsidiaries of any responsibility in connection thereto.

Signature: _____
ID / Passport #: _____

Date: ____ of _____ of 20 ____.