

# IRA LLC

I've noticed a disturbing trend. Clients are ditching their LLC's. Have they been lulled into a false sense of security?

I recently had a conversation with a client who had decided to let the LLC within her IRA lapse. She shared with me that she only owned precious metals, which were held inside of the LLC, and she was concerned the metals were an “under performing asset”. She felt she could no longer afford the annual expenses associated with maintaining the LLC. Completely understandable if your only concern is minimizing expenses. Unfortunately it's only one approach to looking at the situation and loses sight of the bigger picture.

I'm going to share part of what we discussed as well as more news and insight into what I see trending in the retirement plan world.

For decades my mantra has been “*Liberate Your IRA*”. I even wrote a book that was published called, “The Retirement Plan Protection Program”, and I've given countless presentations on the subject all over the world. My feelings and my passion about the subject hasn't changed. It's time we revisit the subject that seems to have gotten lost in all the noise over the last 2 years.

Most clients choose to use an LLC for a number of very valid reasons.

1. They are concerned about the need for **asset protection**.
2. They are seeking a much more **private** way to hold their investments.
3. They have concerns about the unwarranted **seizure of their assets**.
4. They understand the need to keep some of their assets outside of the U.S. for **safety**.
5. Investment **diversification**.
6. They understand our government has greatly increased the **reporting requirements** surrounding non-US accounts and they know an IRA may be the best way to do so. (The newly released FBAR Form {Foreign Bank Account Reporting} contains the following Noteworthy language- "IRA Owners and Beneficiaries. An owner or beneficiary of an IRA is not required to report a foreign financial account held in the IRA.")
7. The U.S. government understood and intended one of the main results of the new reporting requirements would be that less and less Foreign Financial Providers, like banks, brokerage firms and insurance companies, would be willing to open accounts for US citizens. Without question this has come to pass. The list of providers accepting US clients grows dramatically smaller each year.
8. Opening a non-US financial account has grown harder and harder to do. **A foreign LLC will open doors** that are not open to U.S. Citizens directly.

**I think you would find LLC's are by far still one of the most utilized asset protection structures.**

Ultimately it comes down to the need for protection and often times it's hard to recognize the need until it's too late. The best analogy I can use is this. When I walk outside my house every day to pick up the mail, and I look around at my house and my neighbors', I'm certain everyone of us has fire insurance. It's an expense for certain, yet none of us has ever had a claim and most likely won't. (Certainly I hope not.) Yet, we don't feel like it's an unnecessary expense we should eliminate because the need for fire insurance has been ingrained in us for our entire lives. We understand and embrace the necessary expense required for the protection of our homes. Why should the protection of our life savings be any different?

If you just can't afford a foreign LLC a US based LLC is a less expensive option you may want to consider, keeping in mind it doesn't provide nearly as much protection as a non-US LLC, but it may be a better option than completely throwing in the towel and forgoing the protection of your assets.

Please. Don't give up your fire insurance because you don't like paying the premium.

**Larry C. Grossman  
Managing Director  
Sovereign International Pension Services  
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