



ALLEGIANCE
GOLD

Reporting When You Buy From Precious Metals Dealer:

We are often asked whether or not bullion transactions at Allegiance Gold are “private”. The privacy of our customers is one of our utmost concerns. When you buy from us, there are no reporting requirements of any kind when you buy through personal check or bank wire— no matter the quantity, the metal type, or the product.

As with other types of businesses, the overwhelming majority of precious metals transactions are conducted without any reporting requirement. However, dealers are subject to the anti-money laundering provisions under Patriot Act enacted in 2001.

At Allegiance Gold we follow the law and have examined it very closely to be sure of our obligations. Under the law, Precious Metals dealers are not required to report your purchase of metals about 99.99% of the time, with one extremely rare exception. For a disclosure requirement to be triggered, **BOTH** of the following conditions have to be met:

1. The transaction is (or related transactions are) larger than \$10,000 in size, AND
2. Payment is made using actual cash (i.e. Federal Reserve notes and U.S. coins) or with two or more cash instruments (defined as money orders, cashier's checks, or traveler's checks) which, individually, are \$10,000 or less but when totaled together equal more than \$10,000. Personal checks, debits, bank wires, and credit card payments are NOT considered cash or cash instruments, and, therefore, purchases using them do not trigger disclosure by a dealer regardless of their amount(s).

The IRS disclosure document involved is called **Form 8300**, and it's applicable to all cash transactions in the broad U.S. economy meeting the above conditions – *not just precious metals transactions.*

Reporting When You Sell Back To Precious Metals Dealer:

When it comes time to sell your products to Precious Metals Dealer, the government does require bullion dealers to file certain reports where applicable. The IRS report is the 1099-B form, and it applies **ONLY** to the following transactions:

Reportable Items	Minimum Fineness	Minimum Reportable Amount
Gold bars	.995	Any size bars greater than 32.15 troy oz
Silver bars	.999	Any size bars greater than 1000 troy oz
Platinum bars	.9995	Any size bars greater than 25 troy oz
Palladium bars	.9995	Any size bars greater than 100 troy oz
Gold 1 Oz. Maple Leaf	As Minted	25 - 1oz coins
Gold 1 Oz. Krugerrand	As Minted	25 - 1oz coins
Gold 1 Oz. Mexican Onza	As Minted	25 - 1oz coins
U.S. 90% Silver Coins	As Minted	Any combination greater than \$1,000 face value

You might wonder why sales of these specific objects are reportable. These reporting requirements are related to the regulations that require brokers to report all proceeds from stock and commodity transactions. These specific objects are currently traded (or used to be traded) on commodity exchanges. Form 1099-B reporting requirements do not apply to any other coins. They do not apply at all to the following products:

1. American Gold Eagles
2. American Buffalo
3. Austrian Philharmonic
4. Australian (Perth Mint Coins)
5. Chinese
6. Fractional bullion gold coins.

And they apply only if you sell at least the minimum quantity that is equal to the quantity of a commodity contract for the object.

Disclosure: Any information in this document is provided to assist clients and is not intended to be used as the sole guidance for complying with the IRS reporting regulations or as a substitute for actual advice from a professional tax or legal adviser. You should consult with your tax professional.