Relocating to a foreign jurisdiction can be a daunting experience. When the impact of taxation is also considered, a daunting experience can quickly become a nightmare if proper planning has not been undertaken. This article reviews and highlights some of the US rules that should be considered when a beneficiary of a discretionary Canadian-resident trust relocates to the United States for educational purposes and later stays as a US resident.

**KEYWORDS:** TRUSTS • BENEFICIARIES • US NON-RESIDENT • CONTROLLED FOREIGN CORPORATION • PFIC • THROWBACK RULES