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Foreign Bank Account Reporting (FBAR)

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FBAR

A **United States person** that has a **financial interest** in or **signature authority** over a **foreign financial account(s)** must file a FBAR if the aggregate value of the foreign financial account(s) exceeds \$10,000 at any time during the calendar year. A *financial account* includes, but is not limited to, a securities, brokerage, savings, demand, checking, deposit, time deposit, or other account maintained with a financial institution. A financial account also includes a commodity futures or options account, an insurance policy with a cash value, an annuity policy, and shares in a mutual fund or similar pooled fund. A *foreign financial account* is a financial account located outside the United States.

United States person

A U.S. person means United States citizens; United States residents, entities, including but not limited to, corporations, partnerships, or limited liability companies created or organized in the United States or under the laws of the United States; and trusts or estates formed under the laws of the United States

Financial Interest or Signature Authority

A U.S. person has a financial interest in a foreign financial account for which the U.S. person is the owner of record or holder of legal title of whether the account is maintained for the benefit of the U.S. person or for the benefit of another person. Signature authority is the authority of an individual (alone or in conjunction with another individual) to control the disposition of assets held in a foreign financial account by the direct communication (whether in writing or otherwise) to the bank or other financial institution that maintains the financial account.

Filing Requirements

The FBAR report is an annual report and must be **received** by the Department of the Treasury **on or before June 30th** of the year following the calendar year being reported. This is a separate report, and must not be filed with one's tax return. Beginning July 1, 2013, all FBAR reports must be electronically filed at <http://bsaefiling.fincen.treas.gov/main.html> . There is no extension of time to file this report. The IRS may assess draconian penalties on non-filers and/or delinquent filers for willful causes in the amount of \$10,000 and the **greater** of \$100,000 or 50% of the balance in the account at the time of the violation.

If you would like to discuss this or any other U.S. tax or accounting matter, please feel free to call Gabriel at 773.269.6513 or email Gabriel.wise@wisecpagroup.com.

We look forward to hearing from you.

Gabriel Wise, CPA