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Are You Getting Enough FBAR?

As consumers we may be bombarded with how much fiber we need. Yet FBARS may be more important than fiber! The Report of Foreign Bank and Financial Accounts, also known as an FBAR or as Treasury Form [TD F 90-22.1](#), has come out of the dusty stacks of federal form oblivion and into the front and center consciousness of thousands with bank accounts in foreign countries.

1. **Annual Filing Required.** Unless you fall within the “at no time exceeding \$10,000 category”—meaning all your foreign accounts *in the aggregate* did not exceed \$10,000—you generally must file every year.
2. **Separate June 30 Filing.** FBARs are filed separate from tax returns. They are due each June 30 for the preceding year.
3. **Receipt by Due Date.** Oddly, FBARs aren’t governed by the usual “mailing is filing” rule applicable to tax returns. They aren’t technically tax returns, and are Treasury forms rather than being handled by the IRS. Make sure your FBAR is *received* by June 30.
4. **No E-Filing.** Plus, despite the government’s obsession with [e-filing](#) of tax returns, FBARs *can’t* be e-filed. Go figure.

5. **Who Must File?** U.S. taxpayers including citizens, residents, and entities that have foreign financial accounts totaling more than \$10,000 at any point during the year.
6. **What's an Account?** Foreign bank and brokerage accounts are generally included, as are offshore mutual funds or pooled investments. However, hedge and private equity funds generally don't count.
7. **Account Exclusions.** Some types of accounts are not treated as foreign—an account with a financial institution in the U.S. isn't "foreign." Likewise, an account with a U.S. institution that holds foreign assets doesn't require a filing as long as you can't directly access foreign assets maintained in a foreign institution.
8. **Many Entities Must File.** Many entities must file FBARs. However, individual officers or employees who have signature authority over their employer's foreign accounts need not personally maintain records of the accounts.
See [Federal Register Feb. 24, 2011](#).
9. **FBAR Penalties.** The penalties for failure to file are considerably worse than tax penalties. Failing to file an FBAR can carry a civil penalty of \$10,000 for each non-willful violation. But if your violation is found to be *willful*, the penalty is the greater of \$100,000 or 50% of the amount in the account for *each* violation—and each year you didn't file is a *separate violation*.
10. **Waiting for the Statute of Limitations.** Hoping you're not caught—or that if you are discovered you can plead innocence—could require an awfully long wait (forever actually) before you're truly in the clear. If a tax return or FBAR is never filed, the statute of limitations never runs—you can't run out the clock. See [Even The IRS Has Time Limits](#). That's one reason many people are taking advantage of the

IRS's latest amnesty program. See [IRS Offshore Amnesty: Second \(Last\) Chance](#).

For more, see:

[Latest Foreign Account Prosecution Fuels Fears](#)

[Still Have A Foreign Bank Account?](#)

[What To Do If Your Foreign Account Is A PFIC](#)

[Still More Foreign Account Worries!](#)

[Six Questions About Secret Foreign Bank Accounts](#)

[Ten Things To Know About Offshore Bank Accounts](#)

[Sacre Bleu! The Foreign-Account Penalty](#)

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