



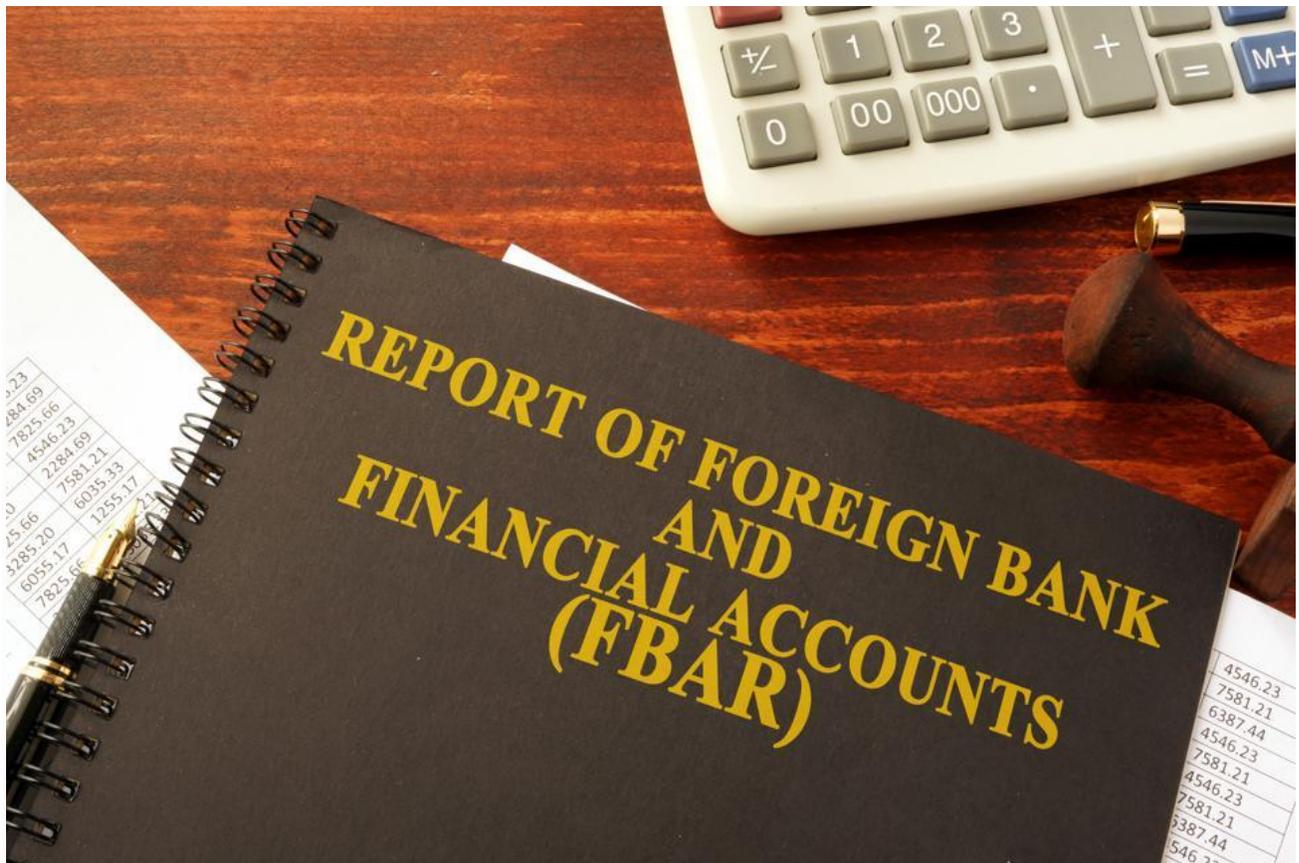
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TAXES 10/16/20

Feds Extend FBAR Foreign Account Deadline To 12/31/20, One Day Later Say 10/15/20

On October 14, 2020, FinCEN, the Financial Crimes Enforcement Network unit of the Treasury Department that handles millions of FBAR reports on foreign bank accounts, announced that you had until December 31, 2020 to file your 2019 FBAR. Extra time, what a relief! Then, late on October 15, the due date for extended IRS tax returns as well as FBARs, FinCEN pulled back the extension, and said FBARs were still October 15 after all. Oops. The erroneous October 14, 2020 post read: “The FBAR deadline for Federal tax year 2019 has been moved from 15 Oct 2020 to 31 Dec 2020.” The correction one day later said: “An October 14, 2020 posting on the BSA E-Filing website implied a filing extension for all Report of Foreign Bank and Financial Accounts (FBAR) filers until December 31, 2020. The extension until December 31, 2020 is only available for victims of recent natural disasters.”



Yet, the natural disaster extension had *already* been announced on October 6, 2020, so why any announcement was made on October 14—one day before the October 15 deadline—is puzzling. FBARs are important, and penalties can be crippling if you don't file them. All U.S. persons who possess an ownership interest, or signatory or other authority, over one or more foreign accounts with an aggregate balance exceeding \$10,000 in a given year are required by law to file an FBAR. Failure to timely file an FBAR can result in civil penalties and, in willful cases, criminal prosecution.

FBARs have been required since 1970, though many people with foreign accounts did not know about the rules, or if they did, ignored them. It was not until the early 2000's that their increasing importance became clear. FBARs featured prominently in the IRS's successful efforts to bring down Swiss and other offshore banking. FBARs have featured in criminal prosecutions too, including that of [Paul Manafort](#). Even the civil penalties for failing to file an

FBAR can be catastrophic, sometimes being 100% or more of the value of an account. So while the filing date gaffe from FinCEN is unfortunate, it is still clear that FBARs are deadly serious. As stated in the most recent announcement, filers residing in an area affected by [recent natural disasters](#) **do** have an extension until December 31, 2020. That is only for persons located in areas designated by FEMA as qualifying for disaster relief as a result of the California Wildfires, the Iowa Derecho, Hurricane Laura, the Oregon Wildfires, and Hurricane Sally. See [Notice October 6, 2020 FinCEN](#).

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