

Report of Foreign Assets

If you have a financial interest in or signature authority over a foreign asset, exceeding certain thresholds, the Bank Secrecy Act may require you to report the account yearly to the Department of Treasury.

FBAR Requirements

FBAR refers to Form 114, Report of Foreign Bank and Financial Accounts, that must be filed with the Financial Crimes Enforcement Network (FinCEN), which is a bureau of the Treasury Department. Eligible accounts include: bank accounts, brokerage accounts, mutual funds, trusts, foreign retirement accounts, and other type of foreign financial accounts. The aggregate value of all foreign financial accounts exceeded \$10,000 at any time during the calendar year reported will generally require reporting. It is due June 30th.

FATCA Requirements

FATCA refers to the Foreign Account Tax Compliance Act. The law addresses tax non-compliance by U.S. taxpayers with foreign accounts by focusing on reporting by U.S. taxpayers and foreign financial institutions. Federal law requires US citizens and resident aliens to report any worldwide income, including income from foreign trusts and foreign bank and securities accounts. Affected taxpayers need to complete and attach Schedule B to their tax returns. Part III of Schedule B asks about the existence of foreign accounts, such as bank and securities accounts, and generally requires U.S. citizens to report the country in which each account is located. In addition, certain taxpayers may also have to complete and attach to their return Form 8938 Statement of Special Foreign Financial Assets. Generally, U.S. citizens, resident aliens, and certain nonresident aliens must report specified foreign financial assets on this form if the aggregate value of those assets exceeds certain thresholds.

Penalties are very harsh for non-reporting. Contact us today if you think you may need to file.

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