

Report of Foreign Bank and Financial Accounts

Do You Have a Foreign Financial Account?

If you own a foreign bank account, brokerage account, mutual fund, unit trust, or other financial account, then you may be required to report the account yearly to the Internal Revenue Service. Under the Bank Secrecy Act, each United States person must file a Report of Foreign Bank and Financial Accounts (FBAR), if

1. The person has financial interest in, signature authority or other authority over one or more accounts in a foreign country, and
2. The value of the account exceeds \$10,000 at any time during the calendar year.

A United States person is not prohibited from owning foreign accounts. The FBAR is required because foreign financial institutions may not be subject to the same reporting requirements as domestic financial institutions. The FBAR is a tool to help the United States government identify persons who may be using foreign financial accounts to circumvent United States law. Investigators use FBARs to help identify or trace funds used for illicit purposes or to identify unreported income maintained or generated abroad.

Definition of Terms

A “United States person” is:

- A citizen or resident of the United States,
- A domestic partnership,
- A domestic corporation, or
- A domestic estate or trust

A foreign country includes all geographical areas outside the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States (including Guam, American Samoa, and the United States Virgin Islands).

Reporting and Filing Information

A person who holds a foreign account may have a reporting obligation even though the account produces no taxable income. Checking the appropriate block on Form 1040 Schedule B, and filing Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts, satisfies the account holder’s reporting obligation.

A foreign account holder must mail the Form TD F 90-22.1 on or before June 30 of the following year to:

U.S. Department of the Treasury
P.O. Box 32621
Detroit, MI 48232-0621.

The FBAR is not to be filed with the filer's Federal income tax return. The granting, by IRS, of an extension to file Federal income tax returns does not extend the due date for filing an FBAR. There is no extension available for filing the FBAR.

Account holders who do not comply with the FBAR reporting requirements may be subject to civil penalties, criminal penalties, or both.

Exceptions to the Reporting Requirement

There are exceptions to the reporting requirement. These exceptions include:

1. Accounts in U.S. military banking facilities operated by a United States financial institution to serve U.S. Government installations abroad are not considered to be accounts in a foreign country for purposes of the reporting requirement.
2. An officer or employee of a bank that is subject to the supervision of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, or the Federal Deposit Insurance Corporation, is not required to report having signature or other authority over a foreign account if the officer or employee has no personal interest in the account.
3. An officer or employee of a domestic corporation whose equity securities are listed on a national securities exchange or which has assets exceeding \$10 million and 500 or more shareholders of record, is not required to report having signature or other authority over a foreign account if the person has no personal financial interest in the account, and the officer or employee has been advised in writing by the chief financial officer of the corporation that the corporation has filed a current report that includes the foreign account.

FBAR Assistance

Help in completing [Form TD F 90-22.1](#) is available at 1-800-800-2877, option 2. The form is available online at [IRS.gov](#) and [MSB](#) or by telephone at 1-800-829-3676. Questions regarding the FBAR can be sent to FBARquestions@irs.gov.