



TAX ALERT

JUNE 16, 2009

All Foreign Account Reports (Form TD F 90-22.1) commonly referred to as an FBAR, for 2008 are due June 30, 2009. Extensions of time to file are not permitted. Failure to file timely could result in a penalty. FBAR returns are required if the total aggregate value of the foreign accounts exceeds \$10,000 at anytime during the year.

The reporting requirements apply to the following entities:

- 1) Individuals who are United States citizens or residents who own or have signature authority over one or more foreign bank accounts or other foreign financial accounts, such as a brokerage account.
- 2) All businesses who own one or more foreign bank accounts or other foreign financial accounts.
- 3) Certain beneficiaries of foreign trusts.

If a taxpayer fails to report the income associated with these foreign accounts on his income tax return and fails to file the FBAR, the taxpayer will be subjected to severe monetary penalties and potentially criminal penalties. As part of their enforcement efforts, the IRS has created a voluntary disclosure opportunity whereby for a limited time the taxpayer can potentially avoid criminal penalties and, under certain circumstances, some of the monetary penalties. The opportunity to make a voluntary disclosure ends if the IRS learns of these omissions prior to the voluntary disclosure.

If you have any questions, please contact us.