



REPORTING GUIDE

Bank Secrecy Act (BSA): Filing a Report of Foreign Bank and Financial Accounts (FBAR) to the Financial Crimes Enforcement Network (FinCEN)

FinCEN FBAR Filing Reporting Guide

The Bank Secrecy Act (BSA) requires any US person who have financial interest in or signature authority over foreign accounts exceeding an aggregate value of \$10,000 to file a **Report of Foreign Bank and Financial Accounts (FBAR)**.



Who must file a FBAR?

Any US person, defined as a US citizen, including minor children, or a resident, as well as entities, whether a corporation, partnership, limited liability, trust and estate, must report certain foreign financial accounts, such as bank accounts, brokerage accounts and mutual funds if:

- They have a financial interest in or have signature authority over at least one financial account located outside the US, and
- Such foreign financial account contains an aggregate value exceeding \$10,000 at any time during the calendar year, regardless if the account produced taxable income or not.



When is the FBAR due?

The FBAR is an annual report that must be filed on or before April 15 of the following year, for data of the calendar year being reported. From time to time, FinCEN issues FBAR Relief Notices that provide extensions for those persons affected by certain significant events and reside within certain directly impacted areas.



What are the components of the FBAR?

The FBAR is divided into seven (7) sections:

- Filer Information
- Information on financial account(s) owned separately
- Information on financial account(s) owned jointly
- Information on financial account(s) where filer has signature authority but no financial interest
- Information on financial account(s) where filer is filing a consolidated report
- Signature
- Third party preparer information (if applicable)



What types of foreign financial accounts do not need to be reported?

An FBAR does not need to be filed for the following foreign financial accounts:

- Correspondent/Nostro accounts;
- Accounts owned by a governmental entity;
- Accounts owned by an international financial institution;
- Accounts maintained on a U.S. military banking facility;
- Accounts held in an individual retirement account (IRA) of which you're an owner or beneficiary;
- Accounts held in a retirement plan of which you're a participant or beneficiary; or
- Part of a trust of which you're a beneficiary, if a U.S. person (trust, trustee of the trust or agent of the trust) files an FBAR reporting these accounts.



How is the FBAR filed?

FBARs can be filed electronically through the [BSA E-Filing System](#).

Individuals filers can use the no registration option within the E-Filing System while institutions, including attorneys, accountants, and enrolled agents must register for a user ID and password. Complete filing instructions can be found [here](#).



What is the penalty for not filing an FBAR?

A person required to file an FBAR, but fails to properly do so may be subject to a civil penalty of up to \$10,000 per violation, unless there is reasonable cause for the oversight. However, a person who willfully fails to file a report, may be subject to civil monetary penalty of up to 50% of the maximum account balance during the year, or if greater, \$100,000 per violation.

Reporting Tips

- It is encouraged that the FBAR is filed on or before April 15th. However, filers who fail to meet the annual due date are automatically granted an extension until October 15th. A request for such extension is not required.
- Documentation, records and data supporting the FBAR filing must be retained and readily available for inspection for a period of 5 years.
- If a third party files the FBAR on behalf of the account owner, the filer or owner should complete and maintain a FinCEN BSA E-filing Signature Authorization Record, [Form 114a](#), to authorize the third party filing. There is no need to send the completed form to FinCEN, but it must be made available to FinCEN or IRS upon request.
- If you need to amend an FBAR filed through the BSA E-Filing System, a new FBAR will have to be completed, checking the Amend box under Item 1 of the FBAR.



For more information, you can visit FinCEN's [FBAR](#) page or read through their [FBAR Filing FAQs](#).