

## Rosen Seymour Shapss Martin & Company LLP

*Certified Public Accountants & Profitability Consultants*

### **FBAR Last Minute Reminder**

Dear Clients and Friends of the Firm:

June 30th approaches-and it's once again time to tell the IRS about your foreign financial accounts (foreign bank account reporting, "FBAR"). You fulfill your FBAR requirements by filing form, TD F 90-22.1. There is no extension for filing this form, and it must be received by the government on June 30, 2010.

You have to file the form if:

1. You are a U.S. person. The term "U.S. person" includes a U.S. citizen, a resident alien, or a domestic entity (corporation, partnership, trust, or estate); and
2. You have a financial interest in one or more foreign financial accounts (e.g., direct ownership, joint ownership, or as beneficiary) that had an aggregate balance of more than \$10,000 anytime during the calendar year 2009.

The term "financial account" includes credit cards drawn on a foreign bank and "commingled funds." For calendar year 2009 and earlier, the term "commingled funds" includes only mutual funds. For calendar years after 2009, the term "commingled fund" includes mutual funds, foreign hedge funds, and private equity funds. Thus, the report due June 30, 2010 does not include foreign hedge funds or private equity funds, but the report due June 30, 2011 includes all such funds.

You must also report foreign financial accounts over which you have signature authority, but these accounts don't have to be included until the report due June 30, 2011.

There are steep penalties for failure to timely file Form TD F 90-22.1. The civil penalty for non-willful failure to file the FBAR ranges up to \$10,000. The civil penalty for willful failure is the greater of \$100,000 or 50% of the amount that should have been reported. Additionally, the government could bring criminal charges for willful failure-a federal felony, punishable by up to \$250,000 fine, five years imprisonment, or both. If the willful failure is part of other illegal activity, the penalty doubles to up to \$500,000, ten years imprisonment, or both.

If you think you may be subject to the FBAR requirement, contact us as soon as possible.

We hope you find this information helpful. If you would like more details, please feel free to contact Alan M. Willinger at 212-303-1012/via email [awillinger@rsmcpa.com](mailto:awillinger@rsmcpa.com) or Avery E. Neumark at 212-303-1806/via email [aneumark@rsmcpa.com](mailto:aneumark@rsmcpa.com). Please visit our website at [www.rsmcpa.com](http://www.rsmcpa.com).

Sincerely,

## ***Rosen Seymour Shapss Martin & Company LLP***

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