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United States – FBAR Deadline for Certain Individuals Extended for 4th Time

by KPMG LLP's Washington
National Tax practice,
Washington, D.C. (KPMG LLP
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The U.S. has extended the filing date for the *Report of Foreign Bank and Financial Accounts (FBAR)* for certain individuals who have only signature authority over certain foreign financial accounts to June 30, 2015.

Why This Matters

Generally, a U.S. person who has a financial interest in or signature authority over foreign financial accounts must file an FBAR if the combined value of the accounts exceeds \$10,000 at any time during the calendar year. The FBAR must be received by June 30 of the succeeding year (e.g., June 30, 2014 for 2013 reporting), and no extension is available. Absent a showing of reasonable cause, a civil penalty (up to a maximum of \$10,000 per violation) may be imposed on a person who fails to properly file the FBAR. The extension announced by the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) provides some relief from this reporting requirement for those individuals who have only signature authority over certain foreign financial accounts.

FinCEN Notice 2013-1 provides a *fourth* extension to employees and officers of specified regulated entities — including U.S. publicly traded companies and financial institutions — who have only signature authority over, but no financial interest in, certain foreign financial accounts.¹ As with prior FinCEN notices, this extension does not apply to foreign financial accounts in which the officer or employee has a financial interest or to personal accounts over which such individuals have signature or other authority.

In February 2012, Treasury previously extended the FBAR filing deadline for these officers and employees with signature authority to June 30, 2013. FinCEN Notice 2012-1 provided an extension of time to file to those persons previously granted an extension by FinCEN Notices 2011-1 and 2011-2. (For prior coverage, see [Flash International Executive Alert 2012-039](#), February 15, 2012.)

At the end of calendar year 2012, FinCEN released Notice 2012-2 to further extend the FBAR filing date for these eligible individuals to June 30, 2014.

All other U.S. persons required to file an FBAR this year (to report foreign financial accounts for calendar year 2013) are required to meet the June 30, 2014 filing date.

Note that all FBAR filings must now be done electronically (the electronic version of the FBAR is FinCEN Report 114). Paper filings (Form TD F 90-22.1) will no longer be accepted by the Internal Revenue Service.

Footnote:

1 For the Notice, see:

[http://www.fincen.gov/forms/files/FBAR%20Notice%20re%20Extended%20Filing%20Date%20\(532-2013\)_editSig.pdf](http://www.fincen.gov/forms/files/FBAR%20Notice%20re%20Extended%20Filing%20Date%20(532-2013)_editSig.pdf) .

Consider Watching This! Video on the New Individual Taxpayer Identification Number (ITIN) Program Requirements: One Year In

The Internal Revenue Service (IRS) announced some significant changes in the ITIN application procedures in November 2012. The IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number for tax return or treaty claim purposes, but who do not have, and are not eligible to obtain, a Social Security Number from the Social Security Administration.

One year later, companies and individuals have experienced how arduous the process for obtaining an ITIN can be – especially for individuals from countries that do not certify documents or that need to get ITINs for their dependent children. It should be noted that the ITIN Unit will accept documents that were certified up to a year prior to processing the ITIN application, however, there are still some outstanding issues around the five-year life of the ITIN.

KPMG's International Executive Services practice invites you to watch this short video that discusses the significant changes in the ITIN application procedures announced by the IRS in November 2012 (which are effective on or after January 1, 2013), and what lessons have been learned in the year since the changes were introduced.

www.kpmginstitutes.com/taxwatch/insights/2013/new-itin-requirements.aspx

The information contained in this newsletter was submitted by KPMG LLP's Washington National Tax practice. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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