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flash Alert

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United States – Certain Individuals Relieved of FBAR Filing Until June 30, 2016

by KPMG LLP's Washington National Tax practice, Washington, D.C. (KPMG LLP in the United States is a KPMG International member firm)

Recently, the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) issued FinCEN Notice 2014-1¹, to further extend – until June 30, 2016 – the filing due date for certain individuals (employees or officers of specified regulated entities) with only signature authority over, but no financial interest in, certain foreign financial accounts to file an FBAR, or *Report of Foreign Bank and Financial Accounts*, FinCEN Form 114 (formerly Form TD F 90-22.1).²

Why This Matters

FinCEN has issued similar extensions that applied to similarly situated individuals over the past three years. This extension will relieve the burden tied to gathering information and reporting that information in respect of foreign financial accounts that would otherwise be placed on individuals (employees or officers of specified regulated entities) with only signature authority over, but no financial interest in, certain foreign financial accounts.

FinCEN Notice 2014-1, dated November 24, 2014, provides a *fifth* extension in light of ongoing consideration of questions regarding the application of the filing requirements to such individuals.

The FinCEN Notice states:

FinCEN received questions that required additional consideration with respect to the exceptions addressed in these Notices. FinCEN is considering regulatory changes to address such questions, therefore, FinCEN is further extending the filing due date to June 30, 2016, for individuals whose filing due date for reporting signature authority was previously extended by Notice 2013-1.

In December 2013, Treasury previously extended the FBAR filing deadline for these officers or employees with signature authority to June 30, 2015.

Prior FinCEN notices provided an extension of time to file to those persons previously granted an extension by FinCEN notices.³

Filing of FBARs still remains an obligation for all other individuals. A U.S. person must file an FBAR if he or she has a financial interest in or signature authority over any financial account(s) outside of the United States and the aggregate maximum value of the account(s) exceeds \$10,000 at any time during the calendar year. A U.S. person includes a U.S. citizen or resident of the United States.⁴

Footnotes:

- 1 See: http://www.fincen.gov/statutes_regs/guidance/pdf/FinCEN_Note_2014-1_FBAR_Filing_Extension.pdf .
- 2 FBAR Form 114 can be completed by accessing FinCEN's BSA E-Filing System Web site - <http://bsaefiling.fincen.treas.gov/main.html>
- 3 According to footnote 2 in FinCEN Notice 2014-1, on May 31, 2011, FinCEN issued Notice 2011-1 (revised on June 2, 2011), to extend to June 30, 2012, the due date for filing the FBAR, for certain individuals with signature authority over but no financial interest in one or more foreign financial accounts, specifically individuals whose FBAR filing requirements may be affected by the signature authority filing exceptions in 31 CFR § 1010.350(f)(2)(i)-(v). On June 17, 2011, FinCEN issued Notice 2011-2 similarly extending the FBAR filing due date to June 30, 2012, for certain employees or officers of investment advisers registered with the Securities and Exchange Commission who have signature authority over but no financial interest in certain foreign financial accounts. On February 14, 2012, FinCEN further extended the FBAR due date to June 30, 2013 via FinCEN Notice 2012-1, for filers that met the requirements of Notice 2011-1 or 2011-2. On December 26, 2012, FinCEN once again extended the FBAR due date to June 30, 2014 via FinCEN Notice 2012-2, for filers that met the requirements of Notice 2012-1.
- 4 KPMG LLP (U.S.) has produced a video entitled "2014 FBAR Filing Update," (approx. 7 minutes), which you may view at: <http://www.kpmg-institutes.com/institutes/taxwatch/articles/2014/05/2014-fbar-filing-update.html> . Also, please see, S. Friedman and T. McCormally, "[FBAR Revisited: Gone Electric](#)," in KPMG LLP's *The Expatriate Administrator*.

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For a related story, see "[FBAR Filing Deadline Extended Again for Certain Individuals Having only Signature Authority](#)," in KPMG LLP's *TaxNewsFlash-United States* (December 17, 2014).

The following information is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230 as the content of this document is issued for general informational purposes only.

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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