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United States – New Law Changes Filing Due Date for FBAR

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

flash Alert

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On July 31, 2015, U.S. President Barack Obama signed a highway funding bill¹ that includes a measure amending the filing due date for FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* (the "FBAR"). The new provision aligns the FBAR filing date with the individual income tax filing due date, and provides for an extension.

Why This Matters

Beginning with the 2016 FBAR (due in 2017), the due date for FBAR reporting will change from June 30 to April 15 to coincide with the due date for filing an individual income tax return. Although the FBAR filing due date has been moved forward by two-and-a-half months, FBAR filers may request an extension to October 15 to file the form. For first-time FBAR filers, any penalty for failure to timely request for, or file, an extension, may be waived by the IRS.

U.S. citizens and residents (as well as U.S. entities) with a financial interest in, or signature authority over, non-U.S. financial accounts must file an FBAR if the aggregate value of these accounts exceeds \$10,000 at any time during the calendar year. The FBAR is filed electronically, separate from the income tax return, and must be *received* on or before the required due date to be treated as timely filed. Currently, the June 30 filing date that applies to calendar year 2015 FBARs may not be extended (for prior coverage, see *GMS Flash Alert* 2015-072, June 9, 2015).

Beginning with the calendar year 2016 FBAR, the filing due date will change to April 15, with the opportunity to request up to a six-month extension of time to file (thus extending the due date to October 15). So, while the due date for the calendar year 2015 FBAR remains June 30, 2016, the due date for subsequent calendar years will be April 15, with a six-month extension available. Presumably the IRS will create a form for U.S. filers to request a filing extension.

Footnote:

1 For text of H.R. 3236, *Surface Transportation and Veterans Health Care Choice Improvement Act of 2015*, section 2006(b)(11) see:
<https://www.congress.gov/114/bills/hr3236/BILLS-114hr3236enr.pdf>.

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