

## **“Rapid-Fire” FBAR Q&A:**

### **What is the due date for FBARs?**

Due April 15, Extension to Oct. 15\*

\*Extended to Dec. 31, 2020 for 2019 FBARs only

### **Do I file an extension of time to file my FBAR?**

No, the filing extension to Oct. 15 is automatic.

### **Must I file an FBAR if I do not also file a personal tax return?**

Yes, you may still have an FBAR filing requirement notwithstanding the filing of a personal tax return.

### **Does it matter if I owned my foreign account *before* coming to the US?**

No, you may still have an FBAR filing requirement.

### **If I live outside the US, do I still have to file FBARs?**

Yes, if you are a US person and your foreign accounts meet the reporting thresholds.

### **What if I have no single foreign account that exceeds \$10,000 (for example, 5 accounts with \$5,000 each)?**

In this scenario, yes, you would have an FBAR filing requirement to report all the accounts because the aggregate value of all of your accounts exceeds \$10,000.

### **Do minor children have to file FBARs?**

Yes, if their foreign accounts meet the reporting thresholds.

### **Are Foreign Pensions, Foreign Life Insurance policies, and Foreign Investment Accounts reportable?**

Foreign Pensions = Yes.

Foreign Life Insurance = Yes, if the cash value meets the aggregate account value thresholds.

Foreign Investment Accounts = Yes.

### **What about Foreign Stock Accounts, are they reportable?**

Yes.

### **What about Foreign Cryptocurrency?**

This answer to this question is in flux. There is currently no affirmative legal guidance. But, in my view, put it on your radar and start preparing your documentation. It is coming.

### **What if I cannot ascertain the exact balances of my foreign accounts?**

Do your best to make reasonable “estimates”, and note as such. There is a box on the FBAR form to check, “Maximum Balance Unknown”, but it is generally not advisable to do so.

### **How do I convert my foreign account currency to US dollars?**

Use the Exchange Rates published by the IRS and Department of Treasury.

### **Do Businesses, Trusts and Estates file FBARs?**

Yes, they may have FBAR reporting obligations.

**If I already filed an IRS form 8938 with my personal tax returns, do I have to file FBARs?**

Yes, IRS Form 8938 is separate and distinct from your FBAR filing requirements. FBARs and Forms 8938 disclosures have different thresholds and different reporting requirements.

**Can the heir to an Estate inherit in a FBAR filing requirement?**

Yes, if the Decedent had an FBAR filing obligation, the heir may as well.

**What are the different types of FBAR penalties?**

The penalties are broken down into non-willful and willful penalty categories and the differences in dollar amounts can be substantial, and some willful disregard can lead to criminal charges.

**Where do I contest an FBAR penalty?**

Beyond IRS Appeals, in Federal District Court, not Tax Court.

**What if I make a mistake on an FBAR form or ignore my reporting obligation entirely?**

Seek professional legal assistance. There are mechanisms in place to help you correct mistakes and disclose or come-forward with non-reporting, but you must tread lightly and follow the rules precisely. A misstep can come at significant cost – both in terms of harsh civil penalties and in some cases, criminal charges.