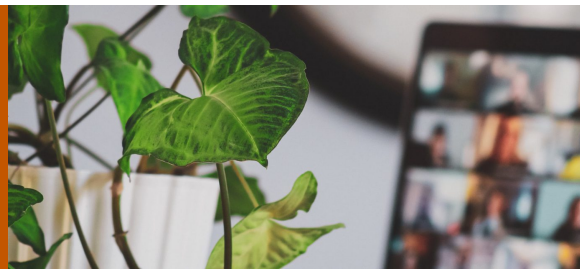
FBAR & FATCA: Foreign Account Reporting Requirements

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U.S. individuals and entities with financial accounts outside the United States may be subject to foreign account reporting requirements, even if those accounts do not generate taxable income.

These rules commonly apply to bank accounts, investment accounts, and certain foreign financial assets held directly or indirectly.

FBAR vs. FATCA

Foreign account reporting generally falls under two separate regimes:

- **FBAR (FinCEN Form 114):** Required when the aggregate value of foreign financial accounts exceeds $10,000 at any point during the year.
- **FATCA (Form 8938):** Required when specified foreign financial assets exceed certain thresholds, which vary based on filing status and residency.

While the rules overlap, they are separate filings with different thresholds and enforcement agencies.

Failure to file required FBAR or FATCA forms can result in significant penalties, even when no additional U.S. tax is due. Because foreign financial institutions increasingly report account information directly to the IRS, noncompliance is more likely to be identified.

If you or your clients hold foreign financial accounts or assets, it's important to review reporting obligations annually to ensure all required filings are made accurately and on time.

Contact Us for Guidance

If you'd like to discuss FBAR, FATCA, or broader international tax compliance considerations, please contact us, we're happy to help.

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