

Sanjoy Augustine CPA, PLLC
Certified Public Accountant
83-51 268 Street, Floral Park, NY 11004
Phone: 718-343-2371; Fax: 516-977-3352
Email:sa@cpautrust.com; Web: cpautrust.com

We like to bring to your attention information about FBAR reporting requirements which is a separate filing requirement with IRS besides your annual tax filing and is due June 30 for the following year. (refer to attached word document for details).

Report of Foreign Bank and Financial Accounts (FBAR)

If you have a financial interest in or signature authority over a foreign financial account, including a bank account, brokerage account, mutual fund, trust, or other type of foreign financial account, the Bank Secrecy Act require you to report the account yearly to the Internal Revenue Service by filing [Form TD F 90-22.1](#) which can be found at link <http://www.irs.gov/pub/irs-pdf/f90221.pdf>, **Report of Foreign Bank and Financial Accounts (FBAR)**.

The FBAR is required because foreign financial institutions may not be subject to the same reporting requirements as domestic financial institutions. The FBAR is a tool to help the United States government identify persons who may be using foreign financial accounts to circumvent United States law. Investigators use FBARs to help identify or trace funds used for illicit purposes or to identify unreported income maintained or generated abroad.

Recent FBAR Guidance

On February 24, 2011, the Treasury Department published [final regulations](#) amending the FBAR regulations. These regulations became effective on March 28, 2011, and apply to FBARs required to be filed with respect to foreign financial accounts maintained in calendar year 2010 and for FBARs required to be filed with respect to all subsequent calendar years. The [FBAR form and instructions](#) have been revised to reflect the amendments made by the final regulations.

Who Must File an FBAR

United States persons are required to file an FBAR if:

1. The United States person had a financial interest in or signature authority over at least one financial account located outside of the United States; and
2. The aggregate value of all foreign financial accounts exceeded \$10,000 (\$5,000,000 INR) at any time during the calendar year to be reported.

United States person means United States citizens; United States residents (includes visa holders H1B, H4, L1B, L2, EAD, green card); entities, including but not limited to, corporations, partnerships, or limited liability companies created or organized in the United States or under the laws of the United States; and trusts or estates formed under the laws of the United States.

Reporting and Filing Information

A person who holds a foreign financial account may have a reporting obligation even though the account produces no taxable income.

The FBAR is not filed with the filer's federal income tax return. The granting, by the IRS, of an extension to file federal income tax returns does not extend the due date for filing an FBAR. You may not request an extension for filing the FBAR. The FBAR must be received by the IRS on or before June 30, 2012 for year 2011 being reported.

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Complete form [Form TD F 90-22.1](http://www.irs.gov/pub/irs-pdf/f90221.pdf) which can be found at link <http://www.irs.gov/pub/irs-pdf/f90221.pdf>

and Mail the form to:

United States Department of the Treasury
P.O. Box 32621
Detroit, MI 48232-0621.

If an express delivery service is used, file by mailing to:

IRS Enterprise Computing Center
ATTN: CTR Operations Mailroom, 4th Floor
985 Michigan Avenue, Detroit, MI 48226

Delivery messenger service contact telephone number: 313-234-1062

Account holders who do not comply with the FBAR reporting requirements may be subject to civil penalties, criminal penalties, or both.

FBAR Assistance

Help in completing [Form TD F 90-22.1](http://www.irs.gov/pub/irs-pdf/f90221.pdf) (PDF) is available at 800-800-2877, option 2. The form is available online at IRS.gov and [Financial Crimes Enforcement Network Web site](http://www.fbar.gov) or by telephone at 800-829-3676. Questions regarding the FBAR can be sent to FBARquestions@irs.gov.

Please note that this obligation of reporting is mandatory and equally applicable to everyone irrespective of visa status like H1B, H4, L1, L2, EAD or Green card or US citizenship; the law applies equally to all. You are required to file this report only if you had combined highest balance in all bank accounts outside United States **AT ANY TIME** in the Calendar year 2010 exceeding Rupees 4,50,000 (equivalent to USD 10,000).

You are also required to file this report if you have stocks or mutual funds or bond or certificate of deposits (fixed deposits) with any bank or financial institutions in the home country which equals Rupees 5,00,000 combining in all bank accounts also. If you own a company in India and the company had Rupees 5,00,000 (equivalent to USD10,000) any given point in time, the company is also obligated/liable to file this FBAR report.

We would like to clarify that the disclosure requirements must be met by filing FBAR. There is no negative impact on you for filing this report. Hence, as good residents and citizens, all have to abide the law and provide appropriate disclosures.

If you need assistance, please contact us at (718) 343-2371, and we can assist you filling the form at a nominal fee of \$100 (may vary, if elaborate reporting is involved).