



**BDO Seidman, LLP**  
Accountants and Consultants

June 18, 2004

## Subject:

### **Deadline for Filing Form TDF 90-22.1; Report of Foreign Bank and Financial Accounts**

# International Tax Alert

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### **Date/Timing:**

Taxpayers are responsible for filing Form TDF 90-22.1, **by June 30, 2004.**

### **Affecting:**

Subject to certain exceptions, any U.S. person (i.e., individual, corporation, partnership, trust or estate) who has a signature authority or direct/indirect financial interest in a foreign financial account (including bank, securities, or other types of financial accounts) in a foreign country that exceeds \$10,000 in the aggregate at any time during the calendar year, must report such accounts by filing TDF 90-22.1.

Notably, this disclosure also applies where the U.S. officer/shareholder/partner of the U.S. company has signatory authority over a foreign subsidiary's foreign bank account. In addition, taxpayers who are currently filing Form 5471, Form 8865 or Form 3520 may also be subject to FBAR reporting requirements.

### **Failure to Comply:**

Willfully failing to file a FBAR report can be punished under both civil and criminal law. Civil penalties may result in a fine equal to the balance in the account at the time of violation up to a limit of \$100,000, or \$25,000, whichever is greater. Criminal penalties could, under certain circumstances, amount to a fine of up to \$500,000 and imprisonment for up to 10 years.

#### FOR MORE INFORMATION & YOUR LOCAL CONTACTS:

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## Failure to Comply (continued)

Note that persons required to file federal income tax returns must also answer the question on the return as to whether or not they have a financial interest in or signature over a foreign account, and whether the aggregate value of the accounts is over \$10,000 during the whole year. Failing to respond to the foreign bank account question could violate IRC Section 7206(1) if the taxpayer signing such a return knew that the return was not “true and correct as to every material matter.”

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