



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FOR IMMEDIATE RELEASE

February 26, 2010

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FinCEN Proposes Clarifications to Foreign Bank Accounts Report (FBAR)

VIENNA, Va. – FinCEN today issued a [Notice of Proposed Rulemaking](#) (NPRM) proposing to amend the Bank Secrecy Act (BSA) implementing regulations regarding the Report of Foreign Bank and Financial Accounts (FBAR).

The FBAR form is used to report a financial interest in, or signature or other authority over, one or more financial accounts in foreign countries. No report is required if the aggregate value of the accounts does not exceed \$10,000. When filed, FBARs become part of the BSA database. They are used in combination with Suspicious Activity Reports, Currency Transaction Reports, and other BSA reports to provide law enforcement and regulatory investigators with valuable information to fight fraud, money laundering, terrorist financing, tax evasion and other financial crime.

In developing the NPRM, FinCEN worked closely with the Department of the Treasury, Office of Tax Policy (OTP), and the Internal Revenue Service (IRS). FinCEN delegated the authority to enforce the FBAR rules and to amend the form to the IRS in 2003. However, FinCEN retained the authority to revise the applicable regulations.

The proposed rule:

- Includes provisions intended to prevent persons from avoiding reporting requirements.
- Defines a “United States person” required to file the FBAR and defines the types of reportable accounts such as bank, securities, and other financial accounts.
- Exempts certain persons with signature or other authority over, but no financial interest in, foreign financial accounts from filing FBARs.

- Exempts certain low-risk accounts e.g., the accounts of a government entity or instrumentality for which reporting will not be required.
- Exempts participants/beneficiaries in certain types of retirement plans and includes a similar exemption for certain trust beneficiaries.
- Clarifies what it means for a person to have a “financial interest” in a foreign account.
- Permits summary filing by persons who have a financial interest in 25 or more foreign financial accounts, or signature or other authority over 25 or more foreign financial accounts. Also permits an entity to file a consolidated FBAR on behalf of itself and the subsidiaries of which it owns more than a 50 percent interest.

The FBAR filing requirements, authorized under one of the original provisions of the Bank Secrecy Act, have been in place since the early 1970s. In August 2009, the Treasury Department announced its intent to issue regulations clarifying the FBAR filing requirements and [sought public comment on related issues](#).

The [NPRM](#) as published in the Federal Register is available on www.FinCEN.gov. Comments concerning the NPRM are due to FinCEN by April 27, 2010.

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*F*inCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.