

THE DMLO REPORT

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Filing 2014 Foreign Bank and Financial Account Reports

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If you have a financial interest in or signature authority over a foreign financial account exceeding certain thresholds, the Bank Secrecy Act may require you to report the account yearly to the IRS by filing a Financial Crimes Enforcement Network (FinCEN) Form 114 (“Report of Foreign Bank and Financial Accounts (FBAR)”).

Specifically, for 2014, Form 114 is required to be filed if during the year:

1. You had a financial interest in or signature authority over at least one foreign financial account (which can be anything from a securities, brokerage, mutual fund, savings, demand, checking, deposit, or time deposit account to commodity futures or options, and a whole life insurance or a cash value annuity policy); and
2. The aggregate value of all such foreign financial accounts exceeded \$10,000 at any time during 2014.

The FBAR is filed on a separate return basis (that is, joint filings are not allowed). However, a spouse who has only a financial interest in a joint account that is reported on the other spouse’s FBAR does not have to file a separate FBAR.

The 2014 Form 114 must be filed by June 30, 2015, and cannot be extended. Furthermore, it must be filed electronically through <http://bsaefiling.fincen.treas.gov/main.html>. The penalty for failing to file Form 114 is substantial — up to \$10,000 per violation (or the greater of \$100,000 or 50% of the balance in an account if the failure is willful).

Please give us a call if you have any questions or would like DMLO to prepare and file Form 114 for you.