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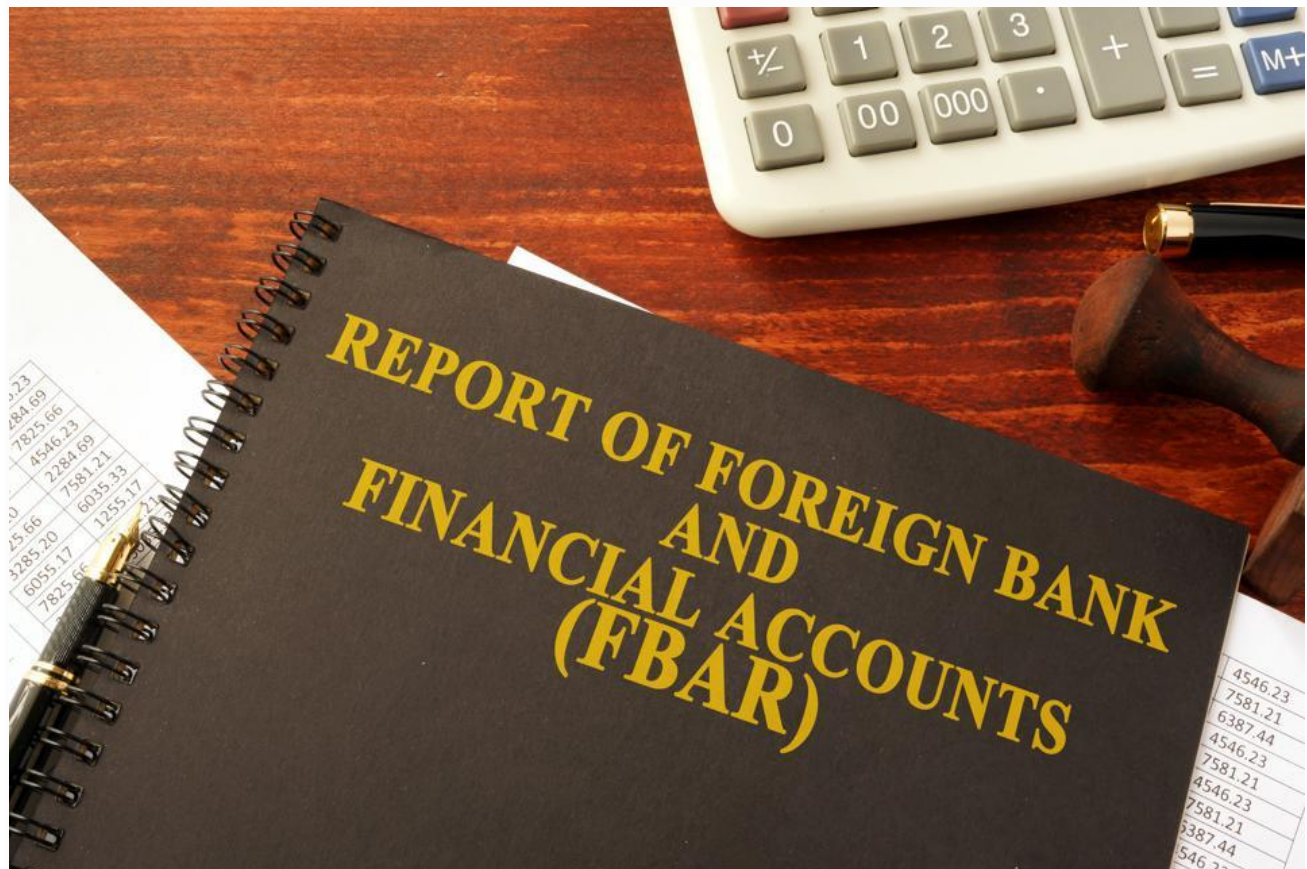
THE TAX LAWYER

TAXES 10/19/20

# Confused? FBARs Are Due 10/31 Not 10/15 Or 12/31, But Disaster Victims Have Until 12/31/20

Fixing the important FBAR filing deadline for offshore accounts this year has been tough, like most things in 2020. Recently, the government [extended the FBAR foreign account deadline to 12/31, then said 10/15](#). Here's the final word. On October 14, 2020, FinCEN, the Financial Crimes Enforcement Network unit of the Treasury Department that handles millions of FBAR reports on foreign bank accounts, posted an incorrect message on its Bank Secrecy Act (BSA) E-Filing website. FinCEN removed it within 24 hours. The message incorrectly stated there was a new filing extension until December 31, 2020 for all filers of FBARs. The extension until December 31, 2020, however, was intended only as an accommodation for victims of recent natural disasters covered in FinCEN's October 6, 2020 notice. FinCEN apologized for the error and any confusion it caused, and says it has coordinated with the IRS to address the concerns of filers who may have missed their 10/15 filing deadline due to the October 14, 2020 message. Now, the latest announcement says that filers who file their 2019 calendar year FBARs by October 31, 2020 will be deemed to have timely filed. As set out in the October 6 notice, FBAR filers

impacted by recent natural disasters continue to have until December 31, 2020 to file their FBARs.



FBARs are important, and penalties can be crippling if you don't file them. All U.S. persons who possess an ownership interest, or signatory or other authority, over one or more foreign accounts with an aggregate balance exceeding \$10,000 in a given year are required by law to file an FBAR. Failure to timely file an FBAR can result in civil penalties and, in willful cases, criminal prosecution. FBARs have been required since 1970, though many people with foreign accounts did not know about the rules, or if they did, ignored them. It was not until the early 2000's that their increasing importance became clear.

FBARs featured prominently in the IRS's successful efforts to bring down Swiss and other offshore banking. FBARs have featured in criminal

prosecutions too, including that of [Paul Manafort](#). Even the civil penalties for failing to file an FBAR can be catastrophic, sometimes being 100% or more of the value of an account. So while the filing date gaffe from FinCEN is unfortunate, it is still clear that FBARs are deadly serious. As stated in the most recent announcement, filers residing in an area affected by [recent natural disasters](#) **do** have an extension until December 31, 2020. That is only for persons located in areas designated by FEMA as qualifying for disaster relief as a result of the California Wildfires, the Iowa Derecho, Hurricane Laura, the Oregon Wildfires, and Hurricane Sally. See [Notice October 6, 2020 FinCEN](#).

*Check out my [website](#).*