

**Recent Changes in Foreign Bank Account Reporting**  
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Today's world is one of international investments. On February 23, 2011, the U.S. Treasury Department's Financial Crimes Enforcement Network amended the Federal Bank Secrecy Act and regulations governing the TD F 90-22.1, Report of Foreign Bank and Financial Accounts ("FBAR"). The FBAR is required to report a U.S. person's financial interest in financial accounts located in foreign countries. These new regulations go into effect on March 28, 2011 and will apply to any 2010 reports that have a filing deadline of June 30, 2011 and beyond. (Please note that with respect to the filing deadline of the FBAR, the Treasury Department must **receive** the FBAR by June 30, 2011 to meet the deadline, it is not a postmark date but a date of receipt). Below are some of the changes to these regulations:

- Reportable "financial accounts" now also include foreign annuities and foreign insurance policies with cash value.
- A settlor of a foreign or domestic trust who is treated as the trust's owner and any U.S. trustee or U.S. co-trustee of a foreign or domestic trust must report foreign accounts owned by the trust.
- Beneficiaries holding a more than 50% interest or a trust's assets or who receive more than 50% of the trust's current income are required to report foreign accounts held by the trust.
- Domestic disregarded entities are required to file the FBAR also. The U.S. owners of these entities must also report all foreign accounts owned by the entities, although foreign owners do not have this obligation.
- Foreign "hedge funds" are not considered reportable "financial accounts."
- IRA owners and beneficiaries are not required to report foreign accounts held in the IRA.

Please make sure and consult your tax advisor if you have any questions or concerns regarding these new regulations.