FBAR & FATCA — Foreign Bank Accounts & Assets

The Report of Foreign Bank & Financial Accounts **(FBAR)** and the Foreign Account Tax Compliance Act **(FATCA)** are two separate reporting requirements for U.S. taxpayers with **foreign financial accounts.** Even if you live abroad, you must still tell the IRS and U.S. Treasury what accounts you hold.

FBAR (Foreign Bank & Financial Accounts Report)

Form: FinCEN Form 114
Filed with: U.S. Treasury (not the IRS)
When: Annually, due **April 15** (with automatic extension to Oct 15)
Who must file: Anyone with **$10,000+** in combined foreign accounts *at any time* during the year
Examples of reportable accounts:

- Foreign bank accounts
- Foreign PayPal/Wise balances
- Investment accounts
- Joint or business accounts
- Accounts you **co-sign on** or **have signature authority over**

🚫 FBAR is a **reporting** requirement — **not a tax**. But penalties for failing to file can be steep (up to $10,000+ per year).

FATCA (Foreign Account Tax Compliance Act)

Form: IRS Form 8938
Filed with: Your federal tax return
Who must file:

- **Single filers abroad:** If foreign assets exceed $200,000 at year-end or $300,000 anytime during the year
- **Married filing jointly abroad:** If assets exceed $400,000 at year-end or $600,000 anytime

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What counts as a foreign asset?

- Foreign bank & investment accounts
- Foreign pensions or retirement plans
- Certain foreign business interests
- Foreign life insurance or annuities

Do I Owe Tax on These Accounts?

Not necessarily — but the IRS still requires you to report them. If these accounts earn interest, dividends, or capital gains, that **income must be reported** on your tax return.

🛑 Common Mistakes to Avoid

- Assuming you don't have to file FBAR because the account "wasn't active"
- Forgetting to report foreign pensions, mutual funds, or life insurance
- Thinking that FBAR and FATCA are "either/or" — they often apply together
- Ignoring these rules because you live abroad (the IRS still wants to know)

💬 Need Help Figuring It Out?

If you're unsure whether you meet the filing thresholds, I can walk you through it. We offer **gentle, non-judgmental guidance** — whether you're filing for the first time or catching up on missed years.

📅 Book a Discovery Call or 📩 Send a Message

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