

FBAR UPDATE 2010



USA Corporate Services Inc.

We Incorporate People

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The FBAR

The Report of Foreign Bank Accounts (FBAR) is an annual information return required under Federal law by the Bank Secrecy Act.

Its purpose is to help enforce compliance with US tax law by requiring disclosure of any US person, including natural persons, corporations, domestic trusts and any other US entity, of non-US bank or financial accounts whose aggregate value exceeds USD 10,000 at any point during a calendar year.

Even LLCs with a non-resident owner, who are disregarded for tax purposes and therefore do not have any US tax filing obligation are considered by the IRS to be required to file an FBAR if they have foreign accounts exceeding USD10,000. whether denominated in USD or other currencies.

An LLC with multiple members as well as any US corporation is subject to the FBAR requirement .



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Where and When to File the FBAR

When: The form covering 2009 must be RECEIVED by the IRS by **30 June 2010**

Where to send it:

Option A. Send directly by mail to:

U.S. Department of the Treasury
P.O. Box 32621
Detroit, MI 48232-0621
United States of America

Option B. Send to USA Corporate Services Inc., by courier if the client is signing it, or by email if accompanied by IRS-approved Power of Attorney (we will sign on your behalf when authorized by the Power of Attorney), and it will be hand delivered to the IRS in Manhattan. With hand delivery, we can provide you with a copy stamped “Received” by the IRS.



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How to complete the form?

First, begin with **Box 1** in the upper right corner, to make sure that the FBAR is for the proper year:

REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS

Do NOT file with your Federal Tax Return

OMB No. 1545-2038

1 This Report is for Calendar Year Ended 12/31

Amended

Box 1 is under the “OMB No. 1545-2038” message; insert “2010” in the four boxes.



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Completing Part 1

Box 2: indicate which type of filer you are reporting:

- Corporation: check the box for “corporation”
- LLC check the box for “Fiduciary or Other” and type in “LLC” in the text box.

Box 3: If the company has applied for and received its US employer identification number (EIN), also known as the federal tax number or US Taxpayer Identification Number, type it in here.

Part I Filer Information			
2 Type of Filer			
a <input type="checkbox"/> Individual b <input type="checkbox"/> Partnership c <input type="checkbox"/> Corporation d <input type="checkbox"/> Consolidated e <input checked="" type="checkbox"/> Fiduciary or Other—Enter type LLC			
3 U.S. Taxpayer Identification Number 12-3456789		4 Foreign identification (Complete only if item 3 is not applicable.)	
If filer has no U.S. Identification Number complete Item 4.		5 Individual's Date of Birth MM/DD/YYYY	
6 Last Name or Organization Name SAMPLECO LLC		7 First Name	
9 Address (Number, Street, and Apt. or Suite No.) 221B BAKER STREET		8 Middle Initial	
10 City LONDON		11 State	
12 Zip/Postal Code W1U 6LJ		13 Country UK	
14 Does the filer have a financial interest in 25 or more financial accounts?			
<input type="checkbox"/> Yes If "Yes" enter total number of accounts _____			
(If "Yes" is checked, do not complete Part II or Part III, but retain records of this information)			
<input checked="" type="checkbox"/> No			

For a disregarded entity without a tax number, a foreign taxpayer or entity registration number can be inserted into box 4, along with the appropriate country of issue.

For a disregarded entity, a number is not legally required, but since the IRS's database management system was geared to the use of identifying numbers, the FBAR can wind up being rejected for lack of some kind of number.



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Completing Part 1 (cont.)

Box 5 should be ignored unless the FBAR is being filed for an individual.

Box 6 is the name of the organization filing the return.

Boxes 7 and 8 can be ignored for entities.

Part I Filer Information			
2 Type of Filer			
a <input type="checkbox"/> Individual b <input type="checkbox"/> Partnership c <input type="checkbox"/> Corporation d <input type="checkbox"/> Consolidated e <input checked="" type="checkbox"/> Fiduciary or Other—Enter type LLC			
3 U.S. Taxpayer Identification Number 12-3456789		4 Foreign identification (Complete only if item 3 is not applicable.)	
If filer has no U.S. Identification Number complete item 4.		5 Individual's Date of Birth MM/DD/YYYY	
a Type: <input type="checkbox"/> Passport <input type="checkbox"/> Other		b Number	
c Country of Issue		8 Middle Initial	
6 Last Name or Organization Name SAMPLECO LLC		7 First Name	
9 Address (Number, Street, and Apt. or Suite No.) 221B BAKER STREET			
10 City LONDON		11 State	
12 Zip/Postal Code W1U 6LJ		13 Country UK	
14 Does the filer have a financial interest in 25 or more financial accounts? <input type="checkbox"/> Yes If "Yes" enter total number of accounts (If "Yes" is checked, do not complete Part II or Part III, but retain records of this information) <input checked="" type="checkbox"/> No			

Boxes 9 to 13 is the address used by the firm if they are taxpayers. For disregarded entities it is recommended to use your registered agent or responsible person in the USA, so that if there is any problem with the filing you can receive the fastest warning. If the filer uses a foreign address, it will take substantially longer to find out about any problems, and therefore valuable response time lost and perhaps additional penalties and interest can accrue.

Box 14 should be checked "no" unless the filer has a financial interest in 25 or more accounts.



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Part II Bank/Financial Account Information

For each account owned, controlled or participated in by the filer, complete the banking information on Part II.

Part II Information on Financial Account(s) Owned Separately			
15 Maximum value of account during calendar year reported 1,234,567		16 Type of account a <input checked="" type="checkbox"/> Bank b <input type="checkbox"/> Securities c <input type="checkbox"/> Other—Enter type below	
17 Name of Financial Institution in which account is held HSBC			
18 Account number or other designation 321-45678-9		19 Mailing Address (Number, Street, Suite Number) of financial institution in which account is held 60 Queen Victoria St	
20 City London	21 State, if known	22 Zip/Postal Code, if known EC4N 4TR	23 Country UK

Box 15, insert the USD amount of the highest balance during the calendar year.

Box 16: Check the box of the type of account being reported:

- Bank
- Securities/brokerage
- Other – if choosing this type of account describe what kind of account

Box 17: Insert the name of the Bank

Box 18 is the account number of the bank/financial account. (If there is more than one account, boxes 15 to 23 must be completed for each one.)

Boxes 19 to 23 require the street address, city, postal code and country of the branch of the financial institution where the account is held.

If the account is NOT denominated in US dollars, use the conversion rate for the currency into US dollars in effect on December 31 for year of filing. This conversion number can be found at:

- US Federal Reserve (<http://www.federalreserve.gov/releases/h10/hist/>)
- Oanda (<http://www.oanda.com/currency/historical-rates>)



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Signing and Completing the FBAR

Signature		
44 Filer Signature	45 Filer Title, if not reporting a personal account	46 Date (MM/DD/YYYY)

After completing the rest of the FBAR, an authorized person (for corporations: an officer, for LLCs a Member or a Manager duly authorized by the operating agreement) must sign the FBAR, indicate their title and indicate the date of signature. For reasons known only to the IRS, the signer's name is not required on this form.

The FBAR must be submitted with an original signature. However, if the FBAR is being completed by us or other outside party, the company's authorized person can submit the IRS Form 2448 Power of Attorney by fax or email, authorizing a third party to sign as 'attorney.'



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Resources and More Information

Where to obtain the form: <http://www.irs.gov/pub/irs-pdf/f90221.pdf>

Official Instructions (latest draft): http://www.irs.gov/pub/irs-utl/draft_fbar_instructions.pdf

IRS Video Resources for International Tax Issues:
<http://www.tax.gov/Professional/PhoneForums/InternationalTaxIssues>

Frequently Asked Questions:
<http://www.irs.gov/businesses/small/article/0,,id=148845,00.html>

Please direct any questions you may have to:

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