

Legal Update

Hedge Fund Tax Alert June 30th Deadline - Foreign Bank Account Reporting (FBAR)

June 2010

This Hedge Fund Tax Alert serves as a reminder for filing of Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts, which is due by June 30, 2010 (and technically should be received by then and not just mailed by then) for the calendar year 2009.

By June 30th of each succeeding year, U.S. persons (1) with foreign accounts that in the aggregate exceeded \$10,000 at any time during the prior calendar year or (2) that have signatory authority or other authority over such foreign accounts are required to file a form, Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts, with the U.S. Treasury Department. (These requirements are sometimes referred to as the FBAR requirements.)

As you may recall, the Form was substantially revised for last year's filing for 2008, and a number of issues were raised. Due to the continued focus by the IRS on offshore accounts and noncompliance, taxpayers and their tax preparers and advisors are increasingly sensitive to complying with the reporting of such accounts. Penalties for noncompliance can be substantial.

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Earlier this year, the IRS and Treasury issued guidance on FBAR reporting. A number of issues were resolved favorably for hedge funds and investors in hedge funds, at least for 2009 and prior years. (Please see our [March 2010 newsletter on this topic](#).)

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