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By LAURA SAUNDERS

The deadline to file a Foreign Bank Account Report for 2012 is fast approaching.



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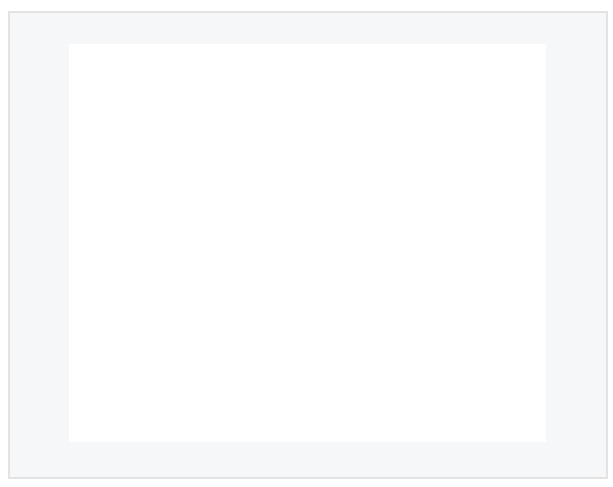
The normal June 30 filing deadline falls on a Sunday this year, so people who submit an FBAR—as the form is usually called—for 2012 on paper need to make sure it is received by Friday, June 28, at a U.S. Treasury Department unit in Detroit. (The deadline isn't a "mail-by" date, since the forms aren't subject to Internal Revenue Service rules.)

Experts urge taxpayers who are required to file FBARs to do so, given U.S. authorities' ongoing crackdown on secret offshore accounts.

The penalties for not filing the forms are severe: up to \$100,000 or 50% of the highest balance in the account per year, whichever is greater, in civil cases involving willful failure to file; and criminal penalties, including jail, in more egregious cases.

Taxpayers must file an FBAR if they had foreign-based bank or financial accounts with a total value exceeding \$10,000 at any point during 2012, even if the account produced no taxable income.

The requirement doesn't include all international investments. For example, taxpayers with assets held through U.S.-based banks, brokerages and mutual



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funds needn't file. The assets covered by the FBAR differ from assets covered by IRS Form 8938, which also requires foreign-asset reporting. More information, including a table, FBAR instructions and forms, is available on the IRS website (www.irs.gov).

Taxpayers can file FBAR forms on paper as long as they do so by the deadline. E-filing also is available and becomes mandatory for all FBARs (even ones for prior years) as of July 1. You can find comprehensive e-filing instructions at bsaefiling.fincen.treas.gov.

Some tax preparers are concerned about the e-filing requirement, since much of their professional software doesn't yet have the ability to process FBARs electronically and guidelines remain unclear, says Marc Strohl, an accountant at Protax Consulting Services in New York, a firm with thousands of international clients.

The FBAR form has existed since the 1970s. Filings have increased sharply since 2009, when U.S. authorities began a campaign against secret offshore accounts after Swiss banking giant [UBS](#) UBS -0.73% admitted it had encouraged U.S. taxpayers to hide money abroad.

Last year, U.S. taxpayers filed 671,000 FBARs, compared with 349,000 in 2008. The U.S. State Department estimates there are 7.2 million U.S. citizens living abroad.

"It's simple math," says Bryan Skarlatos, a tax lawyer at Kostelanetz & Fink in New York. "Thousands or even millions of offshore accounts aren't being reported."

The IRS has a limited-amnesty program for U.S. taxpayers who want to confess secret offshore accounts. People accepted into it are protected from criminal prosecution, but often they will owe a stiff penalty—currently 27.5% of the highest balance in the account.

To avoid the penalty and other costs of the program, some taxpayers simply amend past returns to include previously unreported foreign-account information and file missing FBAR forms.

Mr. Skarlatos says this practice, which is known as "quiet disclosure," is a risky gamble for people who attempt it without expert help. "It could lead to larger penalties or criminal prosecution," he warns.

Write to Laura Saunders at laura.saunders@wsj.com

A version of this article appeared June 15, 2013, on page B9 in the U.S. edition of The Wall Street Journal, with the headline: Offshore Bank Account Reporting Deadline Nears.



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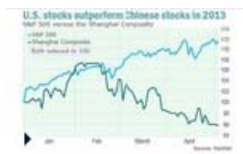
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