



International Commerce Group



Offshore Bank Account Compliance Services

The crackdown on offshore bank accounts has been under a growing spotlight in recent years, especially as a result of the Foreign Account Tax Compliance Act (FATCA). There are frightening headlines of individuals being sent to prison with sentences for offshore tax evasion.

However, many U.S. taxpayers are simply unaware that the U.S. requires its residents and citizens to pay tax on a worldwide income and to file an annual form completely independent of their tax return, known as a *Report of Foreign Bank and Financial Accounts*, also known as a *FBAR*. The Internal Revenue Service has opened the *Offshore Voluntary Compliance Program, OVDP*, to give those the opportunity to come forward, file old tax returns, and by paying a significant penalty, be free of criminal or additional civil penalties. Most recently, the IRS launched the Streamline Filing Compliance Procedures which offer an entirely new set of options to taxpayers who qualify for this program.

Our International Commerce Group not only understands the technical requirements of these programs but we are intimately familiar with the stress of learning that past filings may have been missed. We understand that addressing this problem can be as much an emotional issue as a financial issue. The OVDP has been called a "one size fits all" program which an honest, but misinformed taxpayer could have to turn over a significant portion of his or her wealth as part of an OVDP filing.

We have worked with many taxpayers to help them determine the best course of action to address these issues. In addition, our staff has a comprehensive understanding of related tax return issues such as:

- Passive Foreign Investment Company
- PFIC taxation rules.
- Treatment of foreign business operations.
- Claiming the foreign tax credits.
- Impact of amended federal filings on state tax.