



JUNE 2009

IRS SUSPENDS FBAR FILING REQUIREMENTS FOR FOREIGN PERSONS WITH RESPECT TO THE YEAR 2008

As we reported earlier this week, the Internal Revenue Service (the "IRS") issued guidance requiring nonresident aliens and foreign entities that are "in, and doing business in, the United States" to report all their foreign accounts on Form TD F 90-22.1, Report of Foreign Bank and Financial Account (commonly known as the "FBAR") for each of 2008 and future years during which the aggregate value of the accounts exceeds \$10,000 at any time during the year. A civil penalty of up to \$100,000 or 50% of the account balance, as well as criminal penalties and prosecutions, may apply to each violation of the FBAR filing obligation each year.

Today the IRS announced that it suspended the FBAR filing obligation with respect to the year 2008 for those persons who are not U.S. citizens, U.S. residents or domestic U.S. entities. Therefore, for the June 30, 2009 filing due date, only persons who are U.S. citizens, U.S. residents or domestic U.S. entities are required to comply. The IRS stated that it decided to suspend the filing obligation after receiving a number of questions and comments. As to the years after 2008, the IRS announced that it will issue additional guidance regarding the FBAR filing obligations of foreign persons.

To ensure compliance with requirements imposed by the IRS, we inform you that, unless explicitly provided otherwise, any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

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