

Message to American Citizens

Tuesday, March 06, 2012

The Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) is an important development in U.S. efforts to improve tax compliance involving foreign financial assets and offshore accounts.

Under FATCA, U.S. taxpayers with specified foreign financial assets that exceed certain thresholds must report those assets to the IRS. This reporting will be made on Form 8938, which taxpayers attach to their federal income tax return, starting this tax filing season.

In addition, FATCA will require foreign financial institutions to report directly to the IRS information about financial accounts held by U.S. taxpayers, or held by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

U.S. citizens abroad will be required to use Form 8938 (Statement of Specified Foreign Financial Assets) this filing season to report specified foreign financial assets for tax year 2011.

Form 8938 should be filed by taxpayers with specific types and amounts of foreign financial assets or foreign accounts. It is important for taxpayers to determine whether they are subject to this new requirement because the law imposes significant penalties for failing to comply.

Form 8938, the instructions, regulations implementing this new foreign asset report, and other information to help taxpayers determine if they are required to file Form 8938 is available on the web at: <http://www.irs.gov/businesses/corporations/article/0,,id=236667,00.html>

American citizens traveling or residing overseas are encouraged to enroll in the Smart Traveler Enrollment Program (STEP) and with the appropriate U.S. Embassy or Consulate on the State Department's travel registration website at <https://travelregistration.state.gov>.

For any emergencies involving U.S. citizens, please contact the U.S. Citizens Services Unit of the U.S. Embassy's Consular Section, located 42 Queen Street (across from the British Colonial Hilton Hotel), Nassau; telephone: 242-322-1181; after hours emergency telephone: 242-357-7004; ACS unit fax: 242-356-7174; e-mail: ACSNassau@state.gov; web page: <http://nassau.usembassy.gov>.

For information on "What the Department of State Can and Can't Do in a Crisis," please visit the Bureau of Consular Affairs' [Emergencies and Crisis](#) link.

US Embassy, Nassau, The Bahamas