

A Reporting Nightmare - The IRS Finalizes Form 8938, Statement of Specified Foreign Financial Assets

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The Internal Revenue Service recently posted a final version of the Form 8938, Statement of Specified Foreign Financial Assets, and its corresponding instructions.

The finalization of the Form 8938, Statement of Specified Foreign Financial Assets, this week comes on the heels of the Internal Revenue Service issuing temporary and proposed regulations on December 14, 2011, relating to the provisions that required the foreign financial assets to be reported to the Internal Revenue Service for tax years beginning after March 18, 2010.

As part of the Hiring Incentives to Restore Employment Act enacted in 2001, U.S. taxpayers holding foreign financial assets with an aggregate value exceeding either \$50,000.00 on the last day of the taxable year, or \$75,000.00 at any time during the taxable year, must report certain information about these assets on the final Form 8938, Statement of Foreign Financial Assets.

The temporary and proposed regulations do provide for further guidance and clarification along with additional filing information requirements. To read an overview of these regulations, please see our previous Practice Update from December 16, 2011 by clicking [here](#).

The Form 8938, Statement of Specified Foreign Financial Assets, is new, complicated, and requires explicit details in order to complete. Please ensure that you are engaged with a qualified certified public accountant dealing with international affairs and who has knowledge of the new Form 8938, Statement of Specified Foreign Financial Assets, well prior to the filing deadline for your personal income tax return.

If you have any foreign financial assets, it is our recommendation that you contact us immediately so we may review your particular facts and circumstances and assist in the preparation of your income tax returns and other informational returns.

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