

# ***FBAR Electronic Filing Technical Overview***





# *Agenda*

- Introduction
- Overview of the FBAR Technical Updates
  - FinCEN 114
  - FinCEN 114a (Record of Authorization to Electronically File FBARs)
  - Electronic Filing and Batch Filing Overview
    - FinCEN's BSA E-Filing System
    - Filing Methods
    - Batch Specifications
    - Submission Process
    - Correction Procedures
    - Testing and Support
- Q&A Session

## *Introduction*



- This webinar is presented by the collaborative efforts of FinCEN's Liaison, Policy, and Technology Divisions.
- The purpose of this webinar is to provide software development professionals and third party service providers with technical information about electronic filing options for the Report of Foreign Bank and Financial Accounts (FBARs).

## *Introduction - Continued*



- FinCEN released the first version of the electronic Report of Foreign Bank and Financial Accounts (FBAR) on July 1, 2011.
- On July 1, 2012, FinCEN mandated the electronic filing of most Bank Secrecy Act (BSA) Reports, including the FBAR; however, FinCEN provided a one-year exemption for FBAR filers to allow for adaptation and notice.
- Effective July 1, 2013, FBARs must be electronically filed using FinCEN's BSA E-Filing System.

## *FinCEN 114 (FBAR)*



- On July 29<sup>th</sup>, FinCEN released new FBAR technical enhancements to ease FBAR filing.
- The FBAR will now be known as FinCEN 114.
- The electronic version of the FinCEN 114 has a new field for filers to provide reasons for late filing and also a new section to report third party preparer information.

## *FinCEN 114 (FBAR) continued*



- On July 29<sup>th</sup>, FinCEN also released specifications for a batch filing capability on our User Test site (<http://sdtmut.fincen.treas.gov/news/FinCENFBARElectronicFilingRequirements.pdf>).
- The FBAR batch filing capability is now available for testing.
- The new capabilities and the ability for filers to test batch files is available on the BSA E-Filing Test site (<http://sdtmut.fincen.treas.gov/>).
- This capability along with the updated FinCEN 114 online report will be released onto our production site (<http://bsaefiling.fincen.treas.gov/>) on September 27<sup>th</sup>.



## *FinCEN 114 (FBAR) Features*

- The new FBAR 114 is divided into five parts:
  - Filer Information
  - Financial Account Owned Separately/Jointly
  - No Financial Interest Account Information
  - Consolidated Report
  - Signature Information
  - Home (contains file name, save and submit buttons and the Late Filing Reason field)

### Report of Foreign Bank and Financial Accounts

Home

Filer  
Information

Financial Account Owned  
Separately/Jointly

No Financial Interest  
Account Information

Consolidated  
Report

Signature  
Information

1 This report is for calendar year ended 12/31  Amended  Prior Report BSA Identifier

### Part I Filer Information

2 Type of filer

3 U.S. Taxpayer Identification Number

3a TIN type

4 Foreign identification

a Type

b Number

c Country of issue

5 Individual's date of birth

6 Last name or organization's name

7 First name

8 Middle name

8a Suffix

9 Address

10 City

11 State

12 ZIP/postal code

13 Country

14a Does the filer have a financial interest in 25 or more financial accounts?

Yes Enter number of accounts

No

If "Yes" is checked do not complete Part II or Part III, but retain records of this information

14b Does the filer have signature authority over but no financial interest in 25 or more financial accounts?

Yes Enter number of accounts

No

If "Yes" is checked Complete Part IV items 34 through 43 for each person on whose behalf the filer has signature authority.

**Part II Information on Financial Account(s) Owned Separately 1 of 1**

15 Maximum account value	<input type="text"/>	15a Maximum account value unknown	<input type="checkbox"/>
16 Type of account	<input type="text"/>	<input type="text"/>	
17 Financial institution name	<input type="text"/>		
18 Account number or other designation	<input type="text"/>		
19 Address	<input type="text"/>		
20 City	<input type="text"/>	21 State	<input type="text"/>
22 Foreign postal code	<input type="text"/>	23 Country	<input type="text"/>

**Part III Information on Financial Account(s) Owned Jointly 1 of 1****Account Information**

15 Maximum account value	<input type="text"/>	15a Maximum account value unknown	<input type="checkbox"/>
16 Type of account	<input type="text"/>	<input type="text"/>	
17 Financial institution name	<input type="text"/>		
18 Account number or other designation	<input type="text"/>		
19 Address	<input type="text"/>		
20 City	<input type="text"/>	21 State	<input type="text"/>
22 Foreign postal code	<input type="text"/>	23 Country	<input type="text"/>
24 Number of joint owners	<input type="text"/>		

**Principal Joint Owner Information**

25 Taxpayer Identification Number (TIN)	<input type="text"/>	25 a TIN type	<input type="text"/>
26 Last name or organization name	<input type="text"/>		
27 First name	<input type="text"/>		
28 Middle name	<input type="text"/>		
28a Suffix	<input type="text"/>		
29 Address	<input type="text"/>		
30 City	<input type="text"/>	31 State	<input type="text"/>
32 ZIP/postal code	<input type="text"/>	33 Country	<input type="text"/>

**Part IV Information on Financial Account(s) Where Filer has Signature or Other Authority  
but No financial Interest in the Account(s) 1 of 1****Account Information**

15 Maximum account value

15a Maximum account value unknown

16 Type of account

17 Financial institution name

18 Account number or other  
designation

19 Address

20 City

21 State

22 Foreign postal code

23 Country

**Owner Information**

34 Last name or organization name

35 Taxpayer Identification Number (TIN)

35 a TIN type

36 First name

37 Middle name

37a Suffix

38 Address

39 City

40 State/territory/province

41 ZIP/postal code

42 Country

43 Filer's title with this owner

## Part V Information on Financial Account(s) Where Filer is Filing a Consolidated Report 1 of 1



## Account Information

15 Maximum account value

15a Maximum account value unknown

16 Type of account

17 Financial institution name

18 Account number or other designation

19 Address

20 City

21 State

22 Foreign postal code

23 Country

## Owner Information



34 Organization name

35 Taxpayer Identification Number (TIN)

35 a TIN type

38 Address

39 City

40 State/territory/province

41 ZIP/postal code

42 Country

**Signature** 44a Click here  if this report is completed by a third party preparer, complete the third party preparer section.

44 Filer signature

45 Filer title

46 Date of signature

(Date of signature will be auto-populated when the report is signed.)

### Third Party Preparer Use Only

47 Preparer's last name

48 First name

49 Middle name/initial

50 Check  if self employed

51 Preparer's TIN

51a TIN type

52 Contact phone number

52a Extension

53 Firm's name

54 Firm's TIN

54a TIN type

55 Address

56 City

57 State

58 ZIP/postal code

59 Country



## *FinCEN 114a*

### *(Record of Authorization to Electronically File FBARs)*

- On July 29<sup>th</sup>, FinCEN introduced the FinCEN 114a. (<http://www.fincen.gov/forms/files/FBARE-FileAuth114aRecordSP.pdf>)
- This voluntary record addresses the needs of individuals who file jointly with a spouse or who prefer to submit FBARs via third party preparers, such as attorneys or accountants.
- The record is divided into two parts, Part I and Part II along with instructions.

# Part I of FinCEN 114a



## Part I Persons who have an obligation to file a Report of Foreign Bank and Financial Account(s)

1. Owner last name or entity's legal name	2. Owner first name	3. Owner M. I.
4. Spouse last name (if jointly filing FBAR - see instructions below)	5. Spouse first name	6. Spouse M. I.

I/we declare that I/we have provided information concerning \_\_\_\_\_ (enter number of accounts) foreign bank and financial account(s) for the filing year ending December 31, \_\_\_\_\_ to the preparer listed in Part II; that this information is to the best of my/our knowledge true, correct, and complete; that I/we authorize the preparer listed in Part II to complete and submit to the Financial Crimes Enforcement Network (FinCEN) a Report of Foreign Bank and Financial Accounts (FBAR) based on the information that I/we have provided; and that I/we authorize the preparer listed in Part II to receive information from FinCEN, answer inquiries and resolve issues relating to this submission. I/we acknowledge that, notwithstanding this declaration, it is my/our legal responsibility, not that of the preparer listed in Part II, to timely file an FBAR if required by law to do so.

7. Owner signature (Authorized representative if entity)	8 Date	9 Owner or entity TIN	10 TIN type	a <input type="checkbox"/> EIN
	MM DD YYYY			b <input type="checkbox"/> SSN/ITIN
11. Spouse signature	12 Date	13 Spouse TIN	14 TIN type	c <input type="checkbox"/> Foreign
	MM DD YYYY			a <input type="checkbox"/> EIN
				b <input type="checkbox"/> SSN/ITIN
				c <input type="checkbox"/> Foreign

## *FinCEN 114a Part II*



### **Part II** Individual or Entity Authorized to File FBAR on behalf of Persons who have an obligation to file.

15. Preparer last name		16. Preparer first name		17. Preparer M.I.	18. Preparer PTIN
19. Address		20. City		21. State	22. ZIP/postal code
23. Country code	24. Preparer's (item 15) employer's (Entity) name		25. Employer EIN	26. Preparer's signature	

# *FinCEN 114a Instructions*



## **Instructions for completing the FBAR Signature Authorization Record** **This is a fill and print form using Adobe Reader**

This record may be completed by the individual or entity granting such authorization (Part I) OR the individual/entity authorized to perform such services. The completed record must be signed by the individual(s)/entity granting the authorization (Part I) and the individual/entity that will file the FBAR. The Preparer/filing entity must be registered with FinCEN BSA E-File system. (See <http://bsaeiling.fincen.treas.gov/main.html> for registration).

Read and complete the account owner statement in Part I.

To authorize a third party to file the Foreign Bank and Financial Accounts Report (FBAR), the account owner should complete Part I, items 1 through 3 (as required), sign and date the document in Part I, Items 7/8 and complete items 9 and 10.

### Accounts Jointly Owned by Spouses (see exceptions in the FBAR instructions)

If the account owner is filing an FBAR jointly with his/her spouse, the spouse must also complete Part I, items 4 through 6. The spouse must also sign and date the report in items 11/12, and complete items 13 and 14. A third party preparer may be one of the spouses of the jointly owned foreign account. In this case, both spouses must complete Part I of form 114a in its entirety. The third party preparer (spouse) that will file the FBAR on behalf of both spouses will complete Part II in its entirety (do not use such terms as *see above*, or *same as item number x*).

Complete Part II, items 15 through 18 with the preparer's information. The address, items 19 through 23, is that of the preparer or the preparer's employer if the preparer is an employee. Record the employer's information (if any) in items 24 and 25. If the preparer does not have a , leave item 18 blank. The third party preparer must sign in item 26 of Part II indicating that the FBAR will be filed as directed by the authorizing authority.

The person(s) listed in Part I, and the person listed in Part II as authorized to file on behalf of the person(s) listed in Part I, should retain copies of this record of authorization and the filing itself, both for a period of 5 years. See 31 CFR 1010. 430(d).

**DO NOT SEND THIS RECORD TO FinCEN UNLESS REQUESTED TO DO SO.**

## *Electronic Filing and Batch Filing Overview*

- FinCEN's BSA E-Filing System
- Filing Methods
- Batch Specifications
- Submission Process
- Correction Procedures
- Testing and Support



## *FinCEN's BSA E-Filing System*



- A secure, web-based electronic filing system that provides the capability for filers to submit FBAR reports.
- A flexible solution to file one FBAR report or thousands via a batch.
- An accessible service that filers can use their existing Internet connections to access and submit reports.
- A proven system available since October 2002
- Utilized by Individuals, Financial Institutions, and Third Party Preparers including CPA's and Software Vendors

## *Filing Methods*



- **Discrete (Single) - Online via Web Site**
  - Filer Registers on E-Filing Web Site
  - Filer Opens PDF Based Report
  - Filer Manually Enters Data
  - Filer Submits Report
- **Batch (Multiple) – Online Via Web Site**
  - Filer Registers on E-Filing Web Site
  - Filer Opens Batch Upload PDF
  - Filer Attaches Valid Batch File
  - Filer Uploads Batch File
- **Secure Data Transfer Mode (SDTM) –Batch Server to Server**
  - Batch file submitted via Internet connection
  - FTP over a VPN Tunnel
  - Connect Direct over a VPN Tunnel
  - Connect Direct with Secure Plus (+)

## *Batch Specifications*



- FinCEN can accept a batch file containing multiple FBAR filings
- Batch File is text based, fixed-length, adhering to the FBAR Batch Specifications (<http://sdtmut.fincen.treas.gov/news/FinCENFBARElectronicFilingRequirements.pdf>)
- Batch Files are validated upon submission to ensure they adhere to the specifications.

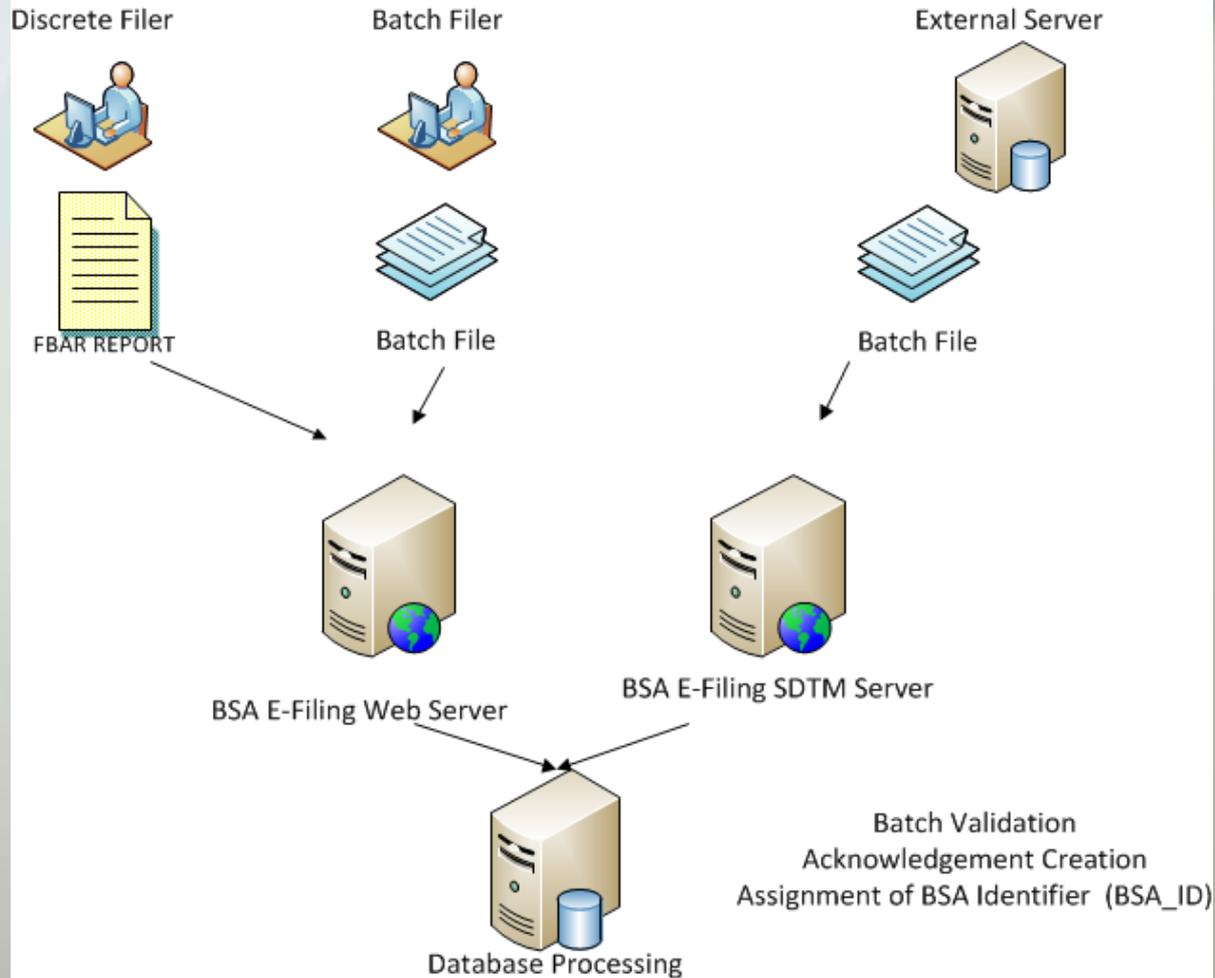
## Batch Specifications – Layout



Record Type	Record Description	FBAR Content	Next Possible Record	Required Record?
1A	Transmitter (1A) Record	Transmitter Information	2A	X
2A	Filer Information (2A) Record	Part I/Signature	2B, 3A, 4A, 5A, 6A, 7A, 9Z	X
2B	Preparer (2B) Record	Preparer	3A, 4A, 5A, 6A, 7A, 9Z	
3A	Separately Owned Financial Account (3A) Record	Part II	3A, 4A, 5A, 6A, 7A, 9Z	
4A	Jointly Owned Financial Account (4A) Record	Part III (15-24)	4A, 4B, 5A, 6A, 7A, 9Z	
4B	Principle Joint Owner (4B) Record	Part III (25-33)	4A, 5A, 6A, 7A, 9Z	
5A	No Financial Interest in Financial Account (5A) Record	Part IV (15-23)	5A, 5B, 6A, 7A, 9Z	
5B	Account Owner (No Financial Interest) (5B) Record	Part IV (34-43)	5A, 5B, 6A, 7A, 9Z	
6A	Consolidated Report for Corporate Filer Financial Account (6A) Record	Part V (15-23)	6A, 6B, 7A, 9Z	
6B	Account Owner (Consolidated Report) (6B) Record	Part V (34-42)	6A, 6B, 7A, 9Z	
7A	Late Filing (7A) Record	Narrative	7A, 2A, 9Z	
9Z	File Summary (9Z) Record	Summary of Batch	(END)	X



# Submission Process



## *Submission Process - Discrete*



- Discrete (Single) - Online via Web Site
  - All data validations are conducted real time during data entry.
  - Filer receives immediate confirmation upon submission.
  - Filer must digitally sign and save a copy of the PDF before submission
  - Filer Receives Acknowledgment in one business day.
    - Sent Via Secure Message on Web Site.
    - Contains BSA\_ID (14 digit number).



## *Submission Process - Batch*

- Batch Submission (Via Web or SDTM)
  - Batch Validated for Fatal Errors Upon Submission
    - Fatal Errors include missing records, incorrect file type or format.
    - Batches with Fatal Errors are immediately Rejected and not processed.
    - Entire batch is Rejected when fatal error identified.
  - Accepted or Accepted with Warnings
    - No Fatal Errors are present. File can be processed by FinCEN.
    - Accepted status indicates there are no errors present on the file.
    - Accepted with Warnings indicates the file can be processed but file errors were identified in the file.
    - File errors are documented in the specifications and include
      - Missing required fields or missing data in fields
      - Invalid format of fields (i.e. all 9's in a EIN)



## *Submission Process – Batch Acknowledgements*

- Batch Submission (Via Web or SDTM) Acknowledgements
  - All Processed Batches (Accepted or Accepted with Warnings) will receive an Acknowledgement File in 1 business day
  - Acknowledgement File format is defined in the FBAR Specifications
  - Acknowledgement File contains Error Codes for any batches processed with the Accepted with Warnings status
  - Error codes are defined in the FBAR specifications



## *Batch Correction Procedures*

- **Fatal Error – Batch Rejected**
  - Filers should immediately correct and resubmit a batch file rejected for fatal errors when notified by FinCEN the batch file was not accepted.
- **File Error – Batch Accepted with Warnings**
  - When an accepted batch file contains FBARs with file errors, those FBARs must be re-filed as corrected reports with the file errors corrected.
  - FinCEN requires that filers prevent all reported errors in their future filings.
  - FinCEN recommends that file error corrections be made no later than 30 days after receiving error notifications.
  - Furthermore, FinCEN recommends that filers remedy any systemic problems in their electronic submissions within 30 days of receiving error notifications.
- **Corrected Reports**



## *Batch Correction Procedures*

### ➤ Submitting Corrected Reports

- Make the corrections to each FBAR that contains errors.
- Enter “X” at Field Position 12 “Amendment Indicator” in the Filer Information (2A) Record for that FBAR.
- Ensure that Field Position 551-558 contains a new “Date of Signature” in the Filer Information (2A) Record.
- Complete all other applicable fields in the FBAR in their entirety.
- Retransmit the corrected FBAR in a new batch file. Do not retransmit the original batch file because this will cause duplicate database entries on any FBARs that were not corrected.



## *Testing Procedures*

- Go To User Test Site (<http://sdtmut.fincen.treas.gov/>) and Request an Account (Become a BSA E-Filer link)
- Utilize Transmitter Control Code (TCC) of TBSATEST for testing purposes in your batch files.
- Code to specifications and test upload of batch file
- Review batch validation errors and correct any errors
- Validate file is uploaded, accepted, and acknowledged
- E-mail will be sent once file is acknowledged with the production TCC to utilize for production
- Ready to file on the production system!
- Batch Test Procedures Document  
(<http://bsaefiling.fincen.treas.gov/docs/TestingProcedures.pdf>)



## *Support*

BSA E-Filing Home Page

<http://bsaefiling.fincen.treas.gov>

BSA E-Filing Help Desk at 1-866-346-9478

BSA E-Filing E-Mail Address

[BSAEFilingHelp@fincen.gov](mailto:BSAEFilingHelp@fincen.gov)

The Help Desk is available Monday through Friday from 8 a.m. to 6 p.m. ET

## *Questions and Answer Period*



Please type in your questions using the webinar interface.

We will review the questions and answer as many as possible.

Questions we are unable to answer will be responded to via email.