



Trusts & Estates Client Alert: Offshore Voluntary Disclosure Program

PRACTICE AREAS

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International Tax

IP&B Client Alert

March 2, 2018

IRS Announcing End to the Offshore Voluntary Disclosure Program

On March 13, 2018, the Internal Revenue Service ("IRS") announced that it will close the Offshore Voluntary Disclosure Program ("OVDP") effective September 28, 2018. (See IR-2018-52). According to the IRS' frequently asked questions for this program, complete offshore voluntary disclosures conforming to the requirements of the OVDP must be received by the IRS or postmarked by September 28, 2018.

The announcement stated the Streamlined Filing Compliance Procedure will remain available and is not affected by the closure of the OVDP. The statement makes clear, however, that the IRS may end the Streamlined Procedure "at some point."

The Streamlined Filing Compliance Procedure is available to both U.S. individual taxpayers residing outside the United States and U.S. individual taxpayers residing in the United States. Taxpayers using the Streamlined Filing Compliance Procedure are required to certify that any failure to report income, pay tax and submit required information returns, including FinCEN Form 114 ("FBAR") was due to non-willful conduct. Persons who are unable to qualify for the Streamlined Filing Compliance Procedures may be eligible to participate in the OVDP. Either program can help resolve past year noncompliance with respect to offshore assets and accounts.

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U.S. persons with undisclosed offshore financial assets or who have undeclared income from offshore sources should consider making a voluntary disclosure before these programs are no longer available.