



Instructions for Form 8938

Statement of Specified Foreign Financial Assets

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Future developments. For the latest information about developments related to Form 8938 and instructions, such as legislation enacted after they were published, go to IRS.gov/Form8938.

Reminders

Specified domestic entity reporting. For tax years beginning after December 31, 2015, certain domestic corporations, partnerships, and trusts that are considered formed or availed of for the purpose of holding, directly or indirectly, specified foreign financial assets (specified domestic entities) must file Form 8938 if the total value of those assets exceeds \$50,000 on the last day of the tax year or \$75,000 at any time during the tax year.

For more information on domestic corporations, partnerships, and trusts that are specified domestic entities and must file Form 8938, and the types of specified foreign financial assets that must be reported, see [Who Must File](#), [Specified Domestic Entity](#), [Specified Foreign Financial Assets](#), [Interests in Specified Foreign Financial Assets](#), and [Assets Not Required To Be Reported](#), later.

Purpose of Form

Use Form 8938 to report your specified foreign financial assets if the total value of all the specified foreign financial assets in which you have an interest is more than the appropriate reporting threshold. See [Reporting Thresholds](#), later.



Filing Form 8938 does not relieve you of the requirement to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), if you are otherwise required to file the FBAR. See FinCEN Form 114 and its instructions for FBAR filing requirements. See Comparison of Form 8938 and FBAR Requirements, available at www.irs.gov/Businesses/Comparison-of-Form-8938-and-FBAR-

[Requirements](#), for a chart comparing Form 8938 and FBAR filing requirements.

When and How To File

Attach Form 8938 to your annual return and file by the due date (including extensions) for that return.

An annual return includes the following returns.

- Form 1040.
- Form 1040NR.
- Form 1041.
- Form 1041-N.
- Form 1065.
- Form 1120.
- Form 1120-S.

A reference to an “annual return” or “income tax return” in the instructions includes a reference to any return listed here, whether it is an income tax return or an information return.



Do not send a Form 8938 to the IRS unless it is attached to an annual return or an amended return.

Who Must File

Unless an exception applies, you must file Form 8938 if you are a specified person (either a specified individual or a specified domestic entity) that has an interest in specified foreign financial assets and the value of those assets is more than the applicable reporting threshold.

If you are required to file Form 8938, you must report the specified foreign financial assets in which you have an interest even if none of the assets affects your tax liability for the year. See [Specified Individual](#), [Specified Domestic Entity](#), and [Reporting Thresholds](#), later.



Exception if no income tax return required. If you do not have to file an income tax return for the tax year, you do not have to file Form 8938, even if the value of your specified foreign financial assets is more than the appropriate reporting threshold.

Specified Individual

You are a specified individual if you are one of the following.

- A U.S. citizen.
- A resident alien of the United States for any part of the tax year (but see [Reporting Period](#), later).
- A nonresident alien who makes an election to be treated as a resident alien for purposes of filing a joint income tax return.
- A nonresident alien who is a bona fide resident of American Samoa or Puerto Rico. See Pub. 570, Tax Guide for Individuals With Income From U.S. Possessions, for a definition of bona fide resident.

Resident aliens. You are a resident alien if you are treated as a resident alien for U.S. tax purposes under the green card test or the substantial presence test. For more information, see Pub. 519, U.S. Tax Guide for Aliens. If you qualify as a resident alien under either rule, you are a specified individual.

Special rule for dual resident taxpayers. If you are a dual resident taxpayer (within the meaning of Treasury Regulations section 301.7701(b)-7(a)(1)), who determines his or her income tax liability for all or a portion of the taxable year as if he or she were a nonresident alien as provided by Treasury Regulations section 301.7701(b)-7, file Form 8938 as follows:

Specified individual filing as a nonresident alien at the end of his or her taxable year. You are not required to report specified foreign financial assets on Form 8938 for the portion of your taxable year covered by Form 1040NR or Form 1040NR-EZ, provided you comply with the filing requirements of Treasury Regulations section 301.7701(b)-7(b) and (c), including the requirement to timely file Form 1040NR or Form 1040NR-EZ, as applicable, and attach Form 8833.

Specified individual filing as a resident alien at the end of his or her taxable year. You are not required to

report specified foreign financial assets on Form 8938 for the portion of your taxable year reflected on the schedule to Form 1040 or the schedule to Form 1040EZ, as applicable, required by Treasury Regulations section 1.6012-1(b)(ii)(a), provided you comply with the filing requirements of Treasury Regulations section 1.6012-1(b)(2)(ii)(a), including the requirement to timely file Form 1040 or Form 1040EZ and attach a properly completed Form 8833.

Specified Domestic Entity

You are a specified domestic entity if you are one of the following.

- A closely held domestic corporation that has at least 50 percent of its gross income from passive income.
- A closely held domestic corporation if at least 50 percent of its assets produce or are held for the production of passive income (see [Passive income and Percentage of passive assets held by a corporation or partnership](#), later.)
- A closely held domestic partnership that has at least 50 percent of its gross income from passive income.
- A closely held domestic partnership if at least 50 percent of its assets produce or are held for the production of passive income (see [Passive income](#), and [Percentage of passive assets held by a corporation or partnership](#), later).
- A domestic trust described in section 7701(a)(30)(E) that has one or more specified persons (a specified individual or a specified domestic entity) as a current beneficiary.

Closely held domestic corporation.

A domestic corporation is closely held if, on the last day of the corporation's taxable year, a specified individual directly, indirectly, or constructively owns at least 80 percent of the total combined voting power of all classes of stock of the corporation entitled to vote or at least 80 percent of the total value of the stock of the corporation.

Closely held domestic partnership.

A domestic partnership is closely held if, on the last day of the partnership's taxable year, a specified individual directly, indirectly, or constructively holds at least 80 percent of the capital or profits interest in the partnership.

Constructive ownership. Sections 267(c) and (e)(3) apply for purposes of determining a specified individual's constructive ownership in a domestic corporation or partnership, except that section 267(c)(4) is applied as if the family of an individual includes the

spouses of the specified individual's family members.

Passive income. Passive income means the portion of gross income that consists of:

- Dividends, including substitute dividends,
- Interest,
- Income equivalent to interest, including substitute interest,
- Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the corporation or partnership,
- Annuities,
- The excess of gains over losses from the sale or exchange of property described in Regulations section 1.6038D-6(b)(3)(i)(F) and that give rise to the types of passive income listed above,
- The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any commodity, but not including,
 1. Any commodity hedging transaction described in section 954(c)(5)(A), or
 2. Active business gains or losses from the sale of commodities, but only if substantially all the corporation's or partnership's commodities are property described in paragraph (1), (2), or (8) of section 1221(a),
- The excess of foreign currency gains over foreign currency losses (as defined in section 988(b)) attributable to any section 988 transaction, and
- Net income from notional principal contracts.

Exception from passive income treatment for dealers. In the case of a domestic corporation or partnership regularly acting as a dealer in property described in Regulations section 1.6038D-6(b)(3)(i)(F), forward contracts, options contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities) passive income does not include the following:

1. Any item of income or gain (other than any dividends or interest) from any transaction (including hedging transactions and transactions involving physical settlement) entered into in the ordinary course of such dealer's trade or business as such a dealer.
2. In the case of a corporation or partnership that is a dealer in securities (within the meaning of section 475(c)(2)), any income from any transaction

entered into in the ordinary course of the corporation's or partnership's trade or business as a dealer in securities.

Passive income or assets of related corporations and partnerships. For purposes of determining whether a domestic corporation or partnership meets the passive income or asset test, domestic corporations and domestic partnerships that are closely held by the same specified individual and that are connected through stock or partnership ownership with a common parent corporation or partnership are treated as owning the combined assets and receiving the combined income of all members of that group. For this purpose, any contract, equity, or debt existing between members of the group, as well as any items of gross income arising from that contract, equity, or debt is eliminated.

Connected stock or partnership ownership. A domestic corporation or partnership is considered connected through stock or partnership interest ownership with a common parent corporation or partnership in the following circumstances.

1. Stock representing at least 80 percent of the total combined voting power of all classes of stock of the corporation entitled to vote or of the value of such corporation, other than stock of the common parent, is owned by one or more of the other connected corporations, connected partnerships, or the common parent.

2. Partnership interests representing at least 80 percent of the profits interests or capital interests of the partnership, other than partnership interests in the common parent, is owned by one or more of the other connected corporations, connected partnerships, or the common parent.

Percentage of passive assets held by a corporation or partnership. For purposes of determining whether at least 50 percent of your assets produce or are held for the production of passive income, the percentage of passive assets held by the corporation or partnership for a taxable year is the weighted average percentage of passive assets (weighted by total assets and measured quarterly). The value of assets of the corporation or partnership is the fair market value or the book value. The book value of assets is the amount reflected on the corporation's or partnership's balance sheet and may be determined under either a U.S. or an international financial accounting

standard. See example below, which illustrates the application of this weighted average asset rule.

Domestic trusts. A trust described in section 7701(a)(30)(E) is considered a specified domestic entity if and only if the trust has one or more specified persons (a specified individual or a specified domestic entity) as a current beneficiary for the taxable year.

Current beneficiary. With respect to a taxable year, a current beneficiary is any person who at any time during the taxable year is entitled to, or at the discretion of any person may receive, a distribution from the principal or income of the trust (determined without regard to any power of appointment to the extent that such power remains unexercised at the end of the taxable year).

Special rule for general powers of appointment. A current beneficiary also includes any holder of a general power of appointment, whether or not exercised, that was exercisable at any time during the taxable year. A holder of a general power of appointment that is exercisable only on the death of the holder is not a current beneficiary.

Excepted Specified Domestic Entities

Entities described in section 1473(3). An entity described in section 1473(3) and the regulations thereunder,

Example.

The following example illustrates the application of the weighted average asset rule.

DC is a domestic corporation, the total value of the stock of which is owned by L, a specified individual. DC is a calendar year taxpayer. Less than 50% of DC's gross income for its taxable year beginning January 1, 2017, is passive income. DC has the following assets in 2017, measured quarterly:

	Passive Assets	Total Assets
Q1	\$150	\$200
Q2	\$150	\$300
Q3	\$300	\$500
Q4	\$200	\$1000
Taxable Year Totals	\$800	\$2,000

DC's weighted passive asset percentage for taxable year 2017 is 40%, that is, DC's total passive assets divided by its total assets ($\$800 / \$2,000 = 40\%$). Because fewer than 50% of DC's assets produce or are held for the production of passive income and less than 50% of DC's gross income for its taxable year is passive income, DC does not meet the passive asset or passive income threshold and would not be a specified domestic entity.

with the exception of a trust that is exempt from tax under section 664(c), is not a specified domestic entity.

Certain domestic trusts. A trust described in section 7701(a)(30)(E) is not considered a specified domestic entity, provided that:

- The trustee is one of the following:
 - A bank that is examined by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration,
 - A financial institution that is registered with and regulated or examined by the Securities and Exchange Commission, or
 - A domestic corporation described in section 1473(3)(A) or (B), and the regulations issued with respect to those provisions,
- The trustee has supervisory authority over or fiduciary obligations with regard to the specified foreign financial assets held by the trust, and
- The trustee files annual returns and information returns by the due date (including any applicable extensions) on behalf of the trust.

Domestic trusts owned by one or more specified persons. A trust described in section 7701(a)(30)(E) to the extent the trust or any portion of the trust is treated as owned by one or more specified persons under sections 671 through 678 and the regulations.

Reporting Thresholds

Reporting Thresholds Applying to Specified Individuals

If you are a specified individual, your applicable reporting threshold depends upon whether you are married, file a joint federal income tax return, and live inside (or outside) the United States.

Taxpayers living in the United States. If you do not live outside the United States, you satisfy the reporting threshold discussed next that applies to you and no exception applies, file Form 8938 with your income tax return.

Unmarried taxpayers. If you are not married, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

Married taxpayers filing a joint income tax return. If you are married and you and your spouse file a joint income tax return, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$100,000 on the last day of the tax year or more than \$150,000 at any time during the tax year.

Married taxpayers filing separate income tax returns. If you are married and file a separate income tax return from your spouse, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

Taxpayers living outside the United States. If your tax home is in a foreign country, you meet one of the presence abroad tests described next, and no exception applies, file Form 8938 with your income tax return if you satisfy the reporting threshold discussed next that applies to you.

Unmarried taxpayers. If you are not married, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$200,000 on the last day of the tax year or more than \$300,000 at any time during the tax year.

Married taxpayers filing a joint income tax return. If you are married and you and your spouse file a joint income tax return, you satisfy the reporting threshold only if the total value of your specified foreign financial assets

is more than \$400,000 on the last day of the tax year or more than \$600,000 at any time during the tax year.

Married taxpayers filing separate income tax returns. If you are married and file a separate income tax return from your spouse, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$200,000 on the last day of the tax year or more than \$300,000 at any time during the tax year.

Presence abroad. You satisfy the presence abroad test if you are one of the following.

- A U.S. citizen who has been a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire tax year.
- A U.S. citizen or resident who is present in a foreign country or countries at least 330 full days during any period of 12 consecutive months that ends in the tax year being reported.

Reporting Thresholds Applying to Specified Domestic Entities

If you are a specified domestic entity, you satisfy the reporting threshold only if the total value of your specified foreign financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

Determining the Total Value of Your Specified Foreign Financial Assets

You must figure the total value of the specified foreign financial assets in which you have an interest to determine if you satisfy the reporting threshold that applies to you. To determine if you have an interest in a specified foreign financial asset, see [Interests in Specified Foreign Financial Assets](#), later.

Valuing specified foreign financial assets. The value of a specified foreign financial asset for purposes of determining the total value of specified foreign financial assets in which you have an interest during the tax year or on the last day of the tax year is the asset's fair market value. For purposes of figuring the total value of specified foreign financial assets, the value of a specified foreign financial asset denominated in a foreign currency must be first determined in the foreign currency and then converted to U.S. dollars. See [Foreign currency conversion](#) in *Reporting Maximum Value*, later, for rules on determining

and applying the appropriate foreign currency exchange rate.

Value of an interest in a foreign trust during the tax year. If you do not know or have reason to know based on readily accessible information the fair market value of your interest in a foreign trust during the tax year, the value to be included in determining the total value of your specified foreign financial assets during the tax year is the maximum value of your interest in the foreign trust. See [Valuing interests in foreign trusts](#) in *Reporting Maximum Value*, later, for rules on determining the maximum value of an interest in a foreign trust.

Value of an interest in a foreign estate, foreign pension plan, and foreign deferred compensation plan. If you do not know or have reason to know based on readily accessible information the fair market value of your interest in a foreign estate, foreign pension plan, or foreign deferred compensation plan during the tax year, the value to be included in determining the total value of your specified foreign financial assets during the tax year is the fair market value, determined as of the last day of the tax year, of the currency and other property distributed during the tax year to you. If you received no distributions during the tax year and do not know or have reason to know based on readily accessible information the fair market value of your interest, use a value of zero for the interest.

Asset with no positive value. If the maximum value of a specified foreign financial asset is less than zero, use a value of zero for the asset.

Joint interests. If you jointly own an asset with someone else, the value that you use to determine the total value of all of your specified foreign financial assets depends on whether the other owner is your spouse and, if so, whether your spouse is a specified individual and whether you file a joint or separate return.

Joint ownership with spouse filing joint income tax return. If you and your spouse file a joint income tax return and, therefore, would file one combined Form 9938 for the tax year, include the value of the asset jointly owned with your spouse only once to determine the total value of all of the specified foreign financial assets you and your spouse own.

Joint ownership with spouse filing separate income tax return. If you and your spouse are specified

individuals and you each file a separate annual return, include one-half of the value of the asset jointly owned with your spouse to determine the total value of all of your specified foreign financial assets.

Joint ownership with a spouse who is not a specified individual or someone other than a spouse. Each joint owner includes the entire value of the jointly owned asset to determine the total value of all of that joint owner's specified foreign financial assets.

Special Rules

Assets reported on another form

Specified individual. If you are a specified individual, include the value of all specified foreign financial assets, even if they are reported on another form listed in *Part IV*, to determine if you satisfy the reporting threshold that applies to you. See [Part IV. Excepted Specified Foreign Financial Assets](#), later.

Specified domestic entity. If you are a specified domestic entity, exclude the value of any specified foreign financial asset reported on another form listed in *Part IV*, to determine if you satisfy the applicable reporting threshold.

Bona fide resident of a U.S. possession. Do not include the value of specified foreign financial assets you are not required to report because you are a bona fide resident of a U.S. possession. See [Bona fide resident of a U.S. possession](#), under *Exceptions to Reporting*, later.

Owners of certain domestic trusts. Do not include the value of specified foreign financial assets you are not required to report because you are an owner of a domestic widely-held fixed investment trust or a domestic liquidating trust created under chapter 7 or chapter 11 of the Bankruptcy Code. See [Domestic investment trusts](#), and [Domestic bankruptcy trusts](#), under *Exceptions to Reporting*, later.

Related domestic corporations and partnerships. To determine if you satisfy the applicable reporting threshold, a specified domestic entity that is a corporation or partnership and that has an interest in any specified foreign financial asset is treated as owning all specified foreign financial assets held by all related corporations or partnerships that are closely held by the same specified individual (excluding

specified foreign financial assets that are excluded from reporting under *Part IV* of Form 8938 or because you are the owner of a domestic widely-held fixed investment trust or a domestic liquidating trust created under chapter 7 or chapter 11 of the Bankruptcy Code).

Examples

These examples may help you decide if you have to file Form 8938.

I am not married and do not live abroad. The total value of my specified foreign financial assets does not exceed \$49,000 during the tax year. You do not have to file Form 8938. You do not satisfy the reporting threshold of more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

I am not married and do not live abroad. I sold my only specified foreign financial asset on October 15, when its value was \$125,000. You have to file Form 8938. You satisfy the reporting threshold even though you do not hold any specified foreign financial assets on the last day of the tax year because you did own specified foreign financial assets of more than \$75,000 at any time during the tax year.

I am not married and do not live abroad. An unrelated U.S. resident and I jointly own a specified foreign financial asset valued at \$60,000. You each have to file Form 8938. You each satisfy the reporting threshold of more than \$50,000 on the last day of the tax year.

I am not married and do not live abroad. I own an entity disregarded for tax purposes, which owns one specified foreign financial asset valued at \$30,000. In addition, I own a specified foreign financial asset valued at \$25,000. You have to file Form 8938. You own both the specified foreign financial asset owned by the disregarded entity and the specified foreign financial asset you own directly, for a total value of \$55,000. You satisfy the reporting threshold of more than \$50,000 on the last day of the tax year.

My spouse and I do not live abroad and file a joint income tax return. We jointly own a single specified foreign financial asset valued at \$60,000. You and your spouse do not have to file Form 8938. You do not satisfy the reporting threshold of more than \$100,000 on the last day of the tax year or more than \$150,000 at any time during the tax year.

My spouse and I do not live abroad, file a joint income tax return, and jointly and individually own specified foreign financial assets. On the last day of the tax year, my spouse and I jointly own a specified foreign financial asset with a value of \$90,000. My spouse has a separate interest in a specified foreign financial asset with a value of \$10,000. I have a separate interest in a specified foreign financial asset with a value of \$1,000. You and your spouse have to file a combined Form 8938. You and your spouse have an interest in specified foreign financial assets in the amount of \$101,000 on the last day of the tax year. This is the entire value of the specified foreign financial asset that you jointly own, \$90,000, plus the value of the asset that your spouse separately owns, \$10,000, plus the value of the asset that you separately own, \$1,000. You and your spouse satisfy the reporting threshold of more than \$100,000 on the last day of the tax year.

My spouse and I do not live abroad, file separate income tax returns, and jointly own a specified foreign financial asset valued at \$60,000 for the entire year. Neither you nor your spouse has to file Form 8938. You each use one-half of the value of the asset, \$30,000, to determine the total value of specified foreign financial assets that you each own. Neither of you satisfies the reporting threshold of more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

My spouse and I file separate income tax returns, jointly and individually own specified foreign financial assets, and do not live abroad. On the last day of the tax year, my spouse and I jointly own a specified foreign financial asset with a value of \$90,000. My spouse has a separate interest in a specified foreign financial asset with a value of \$10,000. I have a separate interest in a specified foreign financial asset with a value of \$1,000. You do not have to file Form 8938 but your spouse does. Your spouse has an interest in specified foreign financial assets in the amount of \$55,000 on the last day of the tax year. This is one-half of the value of the asset that you jointly own, \$45,000, plus the entire value of the asset that your spouse separately owns, \$10,000. You have an interest in specified foreign financial assets in the amount of \$46,000 on the last day of the tax year.

This is one-half of the value of the asset that you jointly own, \$45,000, plus the entire value of the asset that you separately own, \$1,000. Your spouse satisfies the reporting threshold of more than \$50,000 on the last day of the tax year. You do not satisfy the reporting threshold of more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year.

My spouse and I are U.S. citizens but live abroad for the entire tax year and file a joint income tax return. The total value of our combined specified foreign financial assets on any day of the tax year is \$150,000. You and your spouse do not have to file Form 8938. You do not satisfy the reporting threshold of more than \$400,000 on the last day of the tax year or more than \$600,000 at any time during the tax year for married individuals who live abroad and file a joint income tax return.

My spouse and I live abroad and file separate income tax returns. My spouse is not a specified individual. On the last day of the tax year, my spouse and I jointly own a specified foreign financial asset with a value of \$150,000. My spouse has a separate interest in a specified foreign financial asset with a value of \$10,000. I have a separate interest in a specified foreign financial asset with a value of \$60,000. You have to file Form 8938 but your spouse, who is not a specified individual, does not. You have an interest in specified foreign financial assets in the amount of \$210,000 on the last day of the tax year. This is the entire value of the asset that you jointly own, \$150,000, plus the entire value of the asset that you separately own, \$60,000. You satisfy the reporting threshold for a married individual living abroad and filing a separate return of more than \$200,000 on the last day of the tax year.

Specified Foreign Financial Assets

Specified foreign financial assets include the following assets.

1. Financial accounts maintained by a foreign financial institution.
2. The following foreign financial assets if they are held for investment and not held in an account maintained by a financial institution:
 - a. Stock or securities issued by someone that is not a U.S. person (including stock or securities issued by a person organized under the laws of a U.S. possession),

- b. Any interest in a foreign entity, and
- c. Any financial instrument or contract that has an issuer or counterparty that is not a U.S. person (including a financial contract issued by, or with a counterparty that is, a person organized under the laws of a U.S. possession).

For foreign financial assets excepted from reporting, see [Assets Not Required To Be Reported](#), later.

Foreign social security. An interest in a social security, social insurance, or other similar program of a foreign government is not a specified foreign financial asset.

Financial account. A financial account is any depository or custodial account (under Regulations section 1.1471-5(b)(1)(i) or (ii)) maintained by a foreign financial institution as well as any equity or debt interest in a foreign financial institution (other than interests that are regularly traded on an established securities market) or any cash value life insurance or annuity contract maintained by an insurance company or other foreign financial institution. A specified foreign financial asset includes a financial account maintained by a financial institution that is organized under the laws of a U.S. possession (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands).

Foreign financial institution. In most cases, a foreign financial institution is any financial institution that is not a U.S. entity and satisfies one or more of the following.

- It accepts deposits in the ordinary course of a banking or similar business.
- It holds financial assets for the account of others as a substantial part of its business.
- It is engaged (or holds itself out as being engaged) primarily in the business of investing, reinvesting, or trading in securities, partnership interests, commodities, or any interest (including a futures or forward contract or option) in such securities, partnership interests, or commodities.

A foreign financial institution includes investment vehicles such as foreign mutual funds, foreign hedge funds, and foreign private equity funds.

Other specified foreign financial assets. Examples of other specified foreign financial assets include the following, if they are held for investment and not held in a financial account.

- Stock issued by a foreign corporation.
- A capital or profits interest in a foreign partnership.
- A note, bond, debenture, or other form of indebtedness issued by a foreign person.
- An interest in a foreign trust or foreign estate.
- An interest rate swap, currency swap, basis swap, interest rate cap, interest rate floor, commodity swap, equity swap, equity index swap, credit default swap, or similar agreement with a foreign counterparty.
- An option or other derivative instrument with respect to any of these examples or with respect to any currency or commodity that is entered into with a foreign counterparty or issuer.

Assets held for investment. You hold an asset, including a partnership interest, for investment if you do not use it in, or hold it for use in, the conduct of any trade or business.

Stock is not considered used or held for use in the conduct of a trade or business.



For taxable years beginning on or after December 12, 2014, if you are required to file Form 8938, in addition to reporting retirement and pension accounts and non-retirement savings accounts described in Regulations section 1.1471-5(b)(2)(i), you must report retirement and pension accounts, non-retirement savings accounts, and accounts satisfying conditions similar to those described in Regulations section 1.1471-5(b)(2)(i) that are otherwise excluded from the definition of a financial account by an applicable Model 1 IGA or Model 2 IGA. Thus, such accounts are subject to uniform reporting rules and must be reported without regard to whether the account is maintained in a jurisdiction with an IGA.

Interests in Specified Foreign Financial Assets

You have an interest in a specified foreign financial asset if any income, gains, losses, deductions, credits, gross proceeds, or distributions from holding or disposing of the asset are or would be required to be reported, included, or otherwise reflected on your income tax return.

You have an interest in a specified foreign financial asset even if no income, gains, losses, deductions, credits, gross proceeds, or distributions

from holding or disposing of the asset are included or reflected on your income tax return for this tax year.

Interests in property transferred in connection with the performance of services. You are first considered to have an interest in property transferred in connection with the performance of services on the first date that the property is substantially vested (within the meaning of Regulations section 1.83-3(b)) or, if you have made a valid section 83(b) election with respect to the property, on the date of transfer of the property.

Interests in assets held by disregarded entities. If you are the owner of a disregarded entity, you have an interest in any specified foreign financial assets owned by the disregarded entity.

Interests in jointly owned assets. A joint owner of an asset has an interest in the entire asset. For special rules for interests in assets jointly owned by spouses, see [Joint interests in Determining the Total Value of Your Specified Foreign Financial Assets](#), earlier, and [Reporting the value of jointly owned assets](#), in [Reporting Maximum Value](#), later.

Interests in assets held in financial accounts. If you have an interest in a financial account that holds specified foreign financial assets, you do not have to report the assets held in the account.

Interests in assets generating certain unearned income of children. If you file Form 8814, Parents' Election To Report Child's Interest and Dividends, with your income tax return to elect to include in your gross income certain unearned income of your child (the "kiddie tax" election), you have an interest in any specified foreign financial asset held by the child.

Interests in assets held by entities that are not disregarded entities. In most cases, you do not own an interest in any specified foreign financial asset held by a partnership, corporation, trust, or estate solely as a result of your status as a partner, shareholder, or beneficiary.

Interests in assets held by grantor trust. If you are considered the owner under the grantor trust rules of any part of a trust, you have an interest in any specified foreign financial asset held by that part of the trust you are considered to own. For exceptions from reporting for owners of certain domestic investment or bankruptcy trusts, see [Domestic investment trusts](#), and

[Domestic bankruptcy trusts](#) in [Exceptions to Reporting](#), later.

Interests in foreign estates and foreign trusts. An interest in a foreign trust or a foreign estate is not a specified foreign financial asset unless you know or have reason to know based on readily accessible information of the interest. If you receive a distribution from the foreign trust or foreign estate, you are considered to know of the interest.

Interests in foreign pension plans and foreign deferred compensation plans. Report in *Part VI* your interest in the foreign pension plan or foreign deferred compensation plan. Do not separately report the assets held by the plan. See [Valuing interests in foreign estates, foreign pension plans, and deferred compensation plans](#), in [Reporting Maximum Value](#), later.

Reporting Period

Unless an exception applies, the reporting period for Form 8938 is your tax year.

Exception for partial tax years of specified individuals. If you are a specified individual for less than the entire tax year, the reporting period is the part of the year that you are a specified individual.

Example 1. John is a calendar year taxpayer. The Form 8938 reporting period begins on January 1 and ends on December 31.

Example 2. Agnes was a single calendar year taxpayer who died on March 6. The Form 8938 reporting period begins on January 1 and ends on March 6.

Example 3. George, a calendar year taxpayer, is not a U.S. citizen or married. George arrived in the United States on February 1 and satisfied the substantial presence test for the tax year. The Form 8938 reporting period begins on George's U.S. residency starting date, February 1, and ends on December 31.

Reporting Maximum Value

You must report the maximum value during the tax year of each specified foreign financial asset reported on Form 8938. In most cases, the value of a specified foreign financial asset is its fair market value. An appraisal by a third party is not necessary to estimate the maximum fair market value during the year. See [Valuing financial accounts](#),

and [Valuing other specified foreign financial assets](#), later.

Assets with no positive value. If the maximum value of a specified foreign financial asset is less than zero, use a value of zero as the maximum value of the asset.

Foreign currency conversion. If your specified foreign financial asset is denominated in a foreign currency during the tax year, the maximum value of the asset must be determined in the foreign currency and then converted to U.S. dollars.

In most cases, you must use the U.S. Treasury Bureau of the Fiscal Service foreign currency exchange rate for purchasing U.S. dollars. You can find this rate on www.fiscal.treasury.gov/fsreports/rpt/treasRptRateExch/treasRptRateExch_home.htm. If no U.S. Treasury Bureau of the Fiscal Service exchange rate is available, you must use another publicly available foreign currency exchange rate for purchasing U.S. dollars and disclose the rate on Form 8938.

Currency determination date. Use the currency exchange rate on the last day of the tax year to figure the maximum value of a specified foreign financial asset or the value of a specified foreign financial asset for the purpose of determining the total value of your specified foreign financial assets to see whether you have met the reporting threshold. Use this rate even if you sold or otherwise disposed of the specified foreign financial asset before the last day of the tax year.

Exception for financial account statement currency conversion rate. You may rely on the foreign currency conversion rate reflected in a financial account statement issued at least annually by the financial institution maintaining the account.

Reporting the value of jointly owned assets. If you own an asset jointly with one or more persons, you must report the asset's maximum value as follows.

Married specified individuals filing a joint income tax return. If you are married and you and your spouse file a joint income tax return, report any specified foreign financial asset that you jointly own only once and include the maximum value of the entire asset (and not just the maximum value of your interest in the asset). Also, you must report any specified foreign financial asset that you or your spouse separately owns and include the

maximum value of the entire asset. If you and your spouse file a joint income tax return that includes Form 8814, you must report any specified foreign financial asset your child owns only once and include the maximum value of the entire asset.

Married specified individuals filing separate income tax returns. If you are married and you and your spouse are specified individuals who file separate income tax returns, both you and your spouse report any specified foreign financial asset that you jointly own on your separate Forms 8938, and both you and your spouse must include the maximum value of the entire asset on your separate Forms 8938. You also must report any specified foreign financial asset that you own individually on your separate Form 8938 and include the maximum value of the entire asset. If you file Form 8814, you must report any specified foreign financial asset your child owns and include the maximum value of the entire asset.

Other joint ownership. If you are a joint owner of a specified foreign financial asset and you cannot use one of the special rules for married individuals who file a joint tax return, you must report the specified foreign financial asset and include the maximum value of the entire asset.

Valuing financial accounts. You may rely on periodic account statements for the tax year to report a financial account's maximum value unless you know or have reason to know based on readily accessible information that the statements do not reflect a reasonable estimate of the maximum account value during the tax year.

Valuing other specified foreign financial assets. In most cases, you may use the value of a specified foreign financial asset that is not a financial account and that is held for investment and not held in an account maintained by a financial institution as of the last day of the tax year, unless you know or have reason to know based on readily accessible information that the value does not reflect a reasonable estimate of the maximum value of the asset during the tax year.

Example. *I have publicly traded foreign stock not held in a financial account that has a fair market value as of the last day of the tax year of \$100,000, although, based on daily price information that is readily available, the 52-week high trading price for the stock results in a*

maximum value of the stock during the tax year of \$150,000. If you are required to file Form 8938, the maximum value of the foreign stock to be reported is \$150,000, based on readily available information of the stock's maximum value during the tax year.

Valuing interests in foreign trusts. If you are a beneficiary of a foreign trust, the maximum value of your interest in the trust is the sum of the following amounts.

- The value of all of the cash or other property distributed during the tax year from the trust to you as a beneficiary, and
- The value using the valuation tables under section 7520 of your right as a beneficiary to receive mandatory distributions as of the last day of the tax year.

Valuing interests in foreign estates, foreign pension plans, and foreign deferred compensation plans. If you have an interest in a foreign estate, foreign pension plan, or foreign deferred compensation plan, the maximum value of your interest is the fair market value of your beneficial interest in the assets of the estate, pension plan, or deferred compensation plan as of the last day of the tax year. If you do not know or have reason to know based on readily accessible information the fair market value as of the last day of the tax year, the maximum value is the fair market value, determined as of the last day of the tax year, of the cash and other property distributed during the tax year to you as a beneficiary or participant. If you received no distributions during the tax year and do not know or have reason to know based on readily accessible information the fair market value of your interest as of the last day of the tax year, use a value of zero as the maximum value of the asset.

Assets Not Required To Be Reported

You are not required to report the following assets.

Certain financial accounts. The following financial accounts and the assets held in such accounts are not specified foreign financial assets and do not have to be reported on Form 8938.

1. A financial account that is maintained by a U.S. payer, such as a domestic financial institution. In general, a U.S. payer also includes a domestic branch of a foreign bank or foreign insurance company and a foreign

branch or foreign subsidiary of a U.S. financial institution.

Examples of financial accounts maintained by U.S. financial institutions include:

- U.S. mutual funds accounts;
- IRAs (traditional or Roth);
- Section 401(k) retirement accounts;
- Qualified U.S. retirement plans;
- Brokerage accounts maintained by U.S. financial institutions.

2. A financial account that is maintained by a dealer or trader in securities or commodities if all of the holdings in the account are subject to the mark-to-market accounting rules for dealers in securities or an election under section 475(e) or (f) is made for all of the holdings in the account.

Certain financial assets. You do not have to report any asset that is not held in a financial account if the asset is subject to the mark-to-market accounting rules for dealers in securities or commodities or an election under section 475(e) or (f) is made for the asset.

Exceptions to Reporting

Duplicative reporting. You do not have to report any asset on Form 8938 if you report it on one or more of the following forms that you timely file with the IRS for the same tax year.

- Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts.
- Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations.
- Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.
- Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships.

Instead, you must identify on Form 8938 the form(s) on which you report the specified foreign financial asset and how many of these forms you file. See [Part IV. Excepted Specified Foreign Financial Assets](#), later.

Joint Form 5471 or Form 8865 filers. If you are included as part of a joint Form 5471 or Form 8865 filing and provide the notification required by Regulations section 1.6038-2(i) or Regulations section 1.6038-3(c), you are considered to have filed that form for purposes of [Part IV, Excepted Specified Foreign Financial Assets](#), later.

Foreign grantor trusts. If you are considered the owner under the grantor trust rules of any part of a foreign trust, you do not have to report any of the specified foreign financial assets held by the part of the trust you are considered to own if you satisfy the following conditions.

- You report the trust on a Form 3520 that you timely file with the IRS for the same tax year.
- The trust timely files Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner, with the IRS for the same tax year.

Instead, you must identify on Form 8938 how many of these forms you file. See [Part IV. Excepted Specified Foreign Financial Assets](#), later.



If you are a specified individual, you must include the value of the assets reported on Forms 3520, 3520-A, 5471, 8621, and 8865 in determining whether you satisfy the reporting threshold that applies to you. See [Reporting Thresholds Applying to Specified Individuals](#), earlier.

Domestic investment trusts. If you are considered the owner under the grantor trust rules of any part of a domestic widely held fixed investment trust under Regulations section 1.671-5, you do not have to report any specified foreign financial asset held by the part of the trust you are considered to own.

Domestic bankruptcy trusts. If you are considered the owner under the grantor trust rules of any part of a domestic liquidating trust under Regulations section 301.7701-4(d) that is created under chapter 7 or chapter 11 of the Bankruptcy Code, you do not have to report any specified foreign financial asset held by the part of the trust you are considered to own.

Bona fide resident of a U.S. possession. If you are a bona fide resident of a U.S. possession (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands), do not include the value of the following assets to determine if you satisfy the reporting threshold that applies to you. If you are required to file Form 8938, you do not have to report the following specified foreign financial assets on Form 8938.

- A financial account maintained by a financial institution organized under the laws of the U.S. possession of which you are a bona fide resident.
- A financial account maintained by a branch of a financial institution not

organized under the laws of the U.S. possession of which you are a bona fide resident, if the branch is subject to the same tax and information reporting requirements that apply to a financial institution organized under the laws of the U.S. possession of which you are a bona fide resident.

- Stock or securities issued by an entity organized under the laws of the U.S. possession of which you are a bona fide resident.
- An interest in an entity organized under the laws of the U.S. possession of which you are a bona fide resident.
- A financial instrument or contract held for investment, provided each issuer or counterparty that is not a U.S. person is either an entity organized under the laws of the U.S. possession of which you are a bona fide resident or a bona fide resident of the U.S. possession of which you are a bona fide resident.

Penalties

You may be subject to penalties if you fail to timely file a correct Form 8938 or if you have an understatement of tax relating to an undisclosed specified foreign financial asset.

Failure-To-File Penalty

If you are required to file Form 8938 but do not file a complete and correct Form 8938 by the due date (including extensions), you may be subject to a penalty of \$10,000.

Continuing failure to file. If you do not file a correct and complete Form 8938 within 90 days after the IRS mails you a notice of the failure to file, you may be subject to an additional penalty of \$10,000 for each 30-day period (or part of a period) during which you continue to fail to file Form 8938 after the 90-day period has expired. The maximum additional penalty for a continuing failure to file Form 8938 is \$50,000.

Married taxpayers filing a joint income tax return. If you are married and you and your spouse file a joint income tax return, the failure to file penalties apply as if you and your spouse were a single person. You and your spouse's liability for all penalties is joint and several.

Presumption of maximum value. If the IRS determines that you have an interest in one or more specified foreign financial assets and asks you for information about the value of any asset, but you do not provide enough information for the IRS to determine the

value of the asset, you are presumed to own specified foreign financial assets with a value of more than the reporting threshold that applies to you. See *Determining the Reporting Threshold That Applies to You*, earlier. In such case you are subject to the failure-to-file penalties if you do not file Form 8938.

Reasonable cause exception. No penalty will be imposed if you fail to file Form 8938 or to disclose one or more specified foreign financial assets on Form 8938 and the failure is due to reasonable cause and not to willful neglect. You must affirmatively show the facts that support a reasonable cause claim.

The determination of whether a failure to disclose a specified foreign financial asset on Form 8938 was due to reasonable cause and not due to willful neglect will be determined on a case-by-case basis, taking into account all pertinent facts and circumstances.

Effect of foreign jurisdiction laws.

The fact that a foreign jurisdiction would impose a civil or criminal penalty on you if you disclose the required information is not reasonable cause.

Accuracy-Related Penalty

If you underpay your tax as a result of a transaction involving an undisclosed specified foreign financial asset, you may have to pay a penalty equal to 40 percent of that underpayment.

Examples. Examples of underpayments due to transactions involving an undisclosed specified foreign financial asset include the following.

- You do not report ownership of shares in a foreign corporation on Form 8938 and you received taxable distributions from the company that you did not report on your income tax return.
- You do not report ownership of shares in a foreign company on Form 8938 and you sold the shares in the company for a gain and did not report the gain on your income tax return.
- You do not report a foreign pension on Form 8938 and you received a taxable distribution from the pension plan that you did not report on your income tax return.

Fraud

If you underpay your tax due to fraud, you must pay a penalty of 75 percent of the underpayment due to fraud.

Criminal Penalties

In addition to the penalties already discussed, if you fail to file Form 8938, fail to report an asset, or have an underpayment of tax, you may be subject to criminal penalties.

Statute of Limitations

If you fail to file Form 8938 or fail to report a specified foreign financial asset that you are required to report, the statute of limitations for the tax year may remain open for all or a part of your income tax return until 3 years after the date on which you file Form 8938.

Extended statute of limitations for failure to include income. If you do not include in your gross income an amount relating to one or more specified foreign financial assets, and the amount you omit is more than \$5,000, any tax you owe for the tax year can be assessed at any time within 6 years after you filed your return.

For this purpose, specified foreign financial assets include any specified foreign financial assets in which you have an interest without regard to the reporting threshold that applies to you and regardless of any exception from reporting a specified foreign financial asset on Form 8938.

Specific Instructions

Before you begin. If you are a specified individual and report all of your specified foreign financial assets on timely filed Forms 3520, 3520-A, 5471, 8621, or 8865, you do not have to report them on Form 8938. Instead, enter your name(s) and taxpayer identification number (TIN) at the top of the form and complete *Part IV* only. If you are a specified individual or a specified domestic entity and report only a part of your specified foreign financial assets on one or more of these forms, report the remaining assets on Form 8938 and complete *Part IV*.

Additional sheets. If you have more than one account or asset to report in *Part V* or *VI*, or more than one issuer or counterparty to report in *Part VI*, use the continuation statement provided after page 2. Copy as many continuation statements as you need, and attach the completed statements to Form 8938 following page 2. Check the box at the top of page 1 of the form to indicate that you are attaching continuation statements, and enter the number of continuation statements in the space provided.

Tax Year

Enter, in the space provided below the title of Form 8938, the tax year of the specified individual or specified domestic entity for whom you are furnishing information.

Identifying Information

Lines 1 and 2. Enter your name(s) and taxpayer identification number (TIN) as shown on the annual return you are filing with Form 8938. If you are a specified individual (see definition, earlier), enter the first TIN shown on your income tax return. A TIN is a social security number (SSN) or individual taxpayer identification number (ITIN). In the case of a specified domestic entity (see definition, earlier), enter the entity's employer identification number (EIN).

Line 3. Indicate the type of filer by checking the applicable box on line 3. If you are a "specified individual" (defined on page 1), check box 3a. In the case of a "specified domestic entity" (defined on page 1), check the applicable box for partnership (3b), corporation (3c), or trust (3d).

Line 4. If you checked box 3a (specified individual), do not complete this line 4. If you checked box 3b (partnership) or 3c (corporation), enter the name and TIN of the specified individual (defined earlier) who closely holds the partnership or corporation. If you checked box 3d (trust), enter the name and TIN of the specified person (defined earlier) who is a current beneficiary of the trust.

Note. If you are a paper filer and you have more than one specified individual or specified person, attach a statement listing the name and TIN of each such specified individual or specified person.

TIP *If you are a specified individual (see [Specified Individual](#), earlier) for less than the entire tax year, you only have to report the information for the part of the year that you are a specified individual.*

Part I. Foreign Deposit and Custodial Accounts Summary

Use *Part I* to summarize information regarding foreign deposit and custodial accounts reported on all *Parts V*.

Line 1. Report the number of deposit accounts reported on all *Parts V*.

Line 2. Report the total maximum value of these deposit accounts.

Line 3. Report the number of custodial accounts reported on all *Parts V*.

Line 4. Report the total maximum value of these custodial accounts.

Line 5. Indicate whether any foreign deposit or custodial accounts were closed during the tax year.

Part II. Other Foreign Assets Summary

Use *Part II* to summarize information regarding financial accounts (other than foreign deposit and custodial accounts) and other specified foreign financial assets reported on all *Parts VI*.

Line 1. Report the number of accounts and assets reported on all *Parts VI*.

Line 2. Report the total maximum value of these accounts and assets.

Line 3. Indicate whether any account was opened or closed, or any asset was acquired or disposed of during the tax year.

Part III. Summary of Tax Items Attributable to Specified Foreign Financial Assets

Enter the following items for your total assets reported in *Part V* or *Part VI* and the schedule, form, or return on which you reported the items.

- Interest.
- Dividends.
- Royalties.
- Income.
- Gains or (losses).
- Deductions.
- Credits.

If you did not report any tax item for a specified foreign financial asset on any form or schedule for the tax year, check the box on line 3d of *Part V* or *Part VI* for the account or asset.

Part IV. Excepted Specified Foreign Financial Assets

If you reported a specified foreign financial asset on certain other forms listed below for the same tax year, you may not have to report it on Form 8938. However, you must identify the form where you reported the asset by indicating how many forms you filed.

For more information, see [Duplicative reporting](#), earlier. If you reported a specified foreign financial asset on one or more of the following forms, enter the number of forms filed.

- Form 3520.
- Form 3520-A.
- Form 5471.

- Form 8621.
- Form 8865.

Foreign grantor trusts. If you are treated as an owner of any part of a foreign grantor trust, you may have to file Form 8938 to report specified foreign financial assets held by the trust. If you are a beneficiary of the foreign trust, you may have to file Form 8938 to report your interest in the trust. You do not have to report on Form 8938 any specified foreign financial asset held by the trust or your interest in the trust if you report the trust on a Form 3520 you timely file for the tax year and the trust timely files Form 3520-A for the tax year.

Part V. Detailed Information for each Foreign Deposit and Custodial Account Included in the Part I Summary

Use *Part V* to report information for foreign deposit and custodial accounts. If you have more than one account, attach a continuation sheet with the required information for each additional account and check the box at the top of page 1 of the form.

Lines 1 through 9. Enter the following information for each foreign deposit or custodial account.

Line 1. Check the box to indicate if this is a depository or a custodial account.

Line 2. Enter the account number of the account or other specific identifying information for the account if there is no account number.

Line 3. Check one or more boxes to indicate if any of the following applies.

- The account was opened during the tax year.
- The account was closed during the tax year.
- The account was jointly owned with your spouse.
- You did not report any tax item in *Part III* for this asset.

Line 4. Enter the maximum value of the account during the tax year.

TIP *See [Reporting Maximum Value](#), earlier, for information on determining the maximum value of the account.*

Joint interests. Use the following rules to determine the maximum value to report.

Spouses filing a joint return. You and your spouse report the maximum value of an account held jointly by you

and your spouse only once on the single Form 8938 filed with your joint income tax return.

Spouses filing separate returns.

You and your spouse each report the maximum value of an account held jointly by you and your spouse on your separate Forms 8938 filed with your separate income tax returns.

Other joint owners. Report the maximum value of the entire jointly held account on your Form 8938 filed with your income tax return, regardless of the value of your separate interest in the account.

Lines 5 and 6. If you used a foreign currency exchange rate to convert the value of the account into U.S. dollars, check the "Yes" box on line 5 and go to line 6. Otherwise, check the "No" box and go to line 7.

Line 6. If you answered "Yes" on line 5, enter the following information.

1. The foreign currency in which the account is maintained.
2. The foreign currency exchange rate used to convert the value of the account into U.S. dollars.
3. If the U.S. Treasury Bureau of the Fiscal Service did not provide an exchange rate, the source of the foreign currency exchange rate that you used.



You must use the foreign currency exchange rate on the last day of the tax year, even if you closed or disposed of the account before the last day of the tax year.

Line 7a. Enter the name of the financial institution in which the account is maintained.

Line 7b. If you have been furnished the GIIN associated with the financial account listed in line 7a, you have the option of entering it here.

Lines 8 and 9. Enter the mailing address of the financial institution in which the account is maintained.

Part VI. Detailed Information for each "Other Foreign Asset" Included in Part II Summary

Use *Part VI* to report information for financial accounts (other than foreign deposit and custodial accounts) and other specified foreign financial assets not held in a financial account. If you have more than one asset, attach a continuation sheet with the required information for each additional asset and check the box at the top of page 1 of the form.

Lines 1 through 8. Enter the following information for each financial account and specified foreign financial asset not held in a financial account reported in *Part II*. For examples of specified foreign financial assets not held in a financial account, see [Other specified foreign financial assets](#), earlier.

Line 1. Enter a description of the account or asset. If the asset is stock or securities, include the class or issue of the stock or securities.

Example 1. You own 100 shares of XYZ Company, an Italian S.A. A sufficient description is "100 Class A shares of XYZ Company, S.A."

Example 2. You own a bond issued by AB GmbH, a German GmbH. A sufficient description is "Bond of AB GmbH, maturing on December 31, 2017."

Line 2. Enter the identifying number or other information identifying the account or asset.

Line 3. Enter the following information about the account or asset, if required.

1. If the account was opened or closed, or the asset was acquired or disposed of during the year, enter the date of opening and/or closure, or acquisition and/or disposition, as applicable. If the assets were acquired or disposed of during different dates in the year, enter "Various."

2. If you own the account or asset jointly with your spouse, check the box on line 3c.

3. If you did not report any income, gain, loss, deduction, or credit for this account or asset on your tax return or any schedule or form attached to your income tax return filed for the tax year, check the box on line 3d.

Line 4. Check the box for the value range that represents the maximum value of the account or asset during the tax year. If the maximum value is more than \$200,000, enter the maximum value on line 4e.



See [Reporting Maximum Value](#), earlier, for information on determining the maximum value of the account or asset.

Joint interests. Use the following rules to figure the maximum value to report.

Spouses filing a joint return. You and your spouse report the maximum value of an account or asset held jointly

by you and your spouse only once on the single Form 8938 filed with your joint income tax return.

Spouses filing separate returns.

You and your spouse each report the maximum value of an account or asset held jointly by you and your spouse on your separate Forms 8938 filed with your separate income tax returns.

Other joint owners. Report the maximum value of the entire jointly held account or asset on your Form 8938 filed with your income tax return, regardless of the value of your separate interest in the account or asset.

Lines 5 and 6. If you used a foreign currency exchange rate to convert the value of the account or asset into U.S. dollars, check the "Yes" box on line 5 and go to line 6. Otherwise, check the "No" box and go to line 7.

Line 6. If you answered "Yes" to line 5, enter the following information.

1. The foreign currency in which the account or asset is denominated.
2. The foreign currency exchange rate used to convert the value of the account or asset into U.S. dollars.
3. If the U.S. Treasury Bureau of the Fiscal Service did not provide an exchange rate, the source of the foreign currency exchange rate that you used.



You must use the foreign currency exchange rate on the last day of the tax year, even if you closed the account or sold or disposed of the asset before the last day of the tax year.

Lines 7a through 7e. If the account or asset you reported on line 1 is stock of a foreign entity or an interest in a foreign entity, complete lines 7a through 7e.

Line 7a. Enter the name of the foreign entity.

Line 7b. If you have been furnished the GIIN associated with the financial account or asset listed in Line 7a, you have the option of entering it here.

Line 7c. Check the box on line 7c to indicate the type of foreign entity.

Lines 7d and 7e. Enter the mailing address of the foreign entity.

Lines 8a through 8e. If the account or asset you reported on line 1 is not stock of a foreign entity or an interest in a foreign entity, complete lines 8a through 8e.

Note. If this account or asset has more than one issuer or counterparty, copy the continuation statement provided after page 2 as many times as needed and complete a separate line 8 for each issuer or counterparty. Check the box at the top of page 1 of the form.

Line 8a. Enter the name of the issuer or counterparty and check the appropriate box to indicate if you are reporting for an issuer or a counterparty.

Line 8b. Check the appropriate box to indicate the type of issuer or counterparty.

Line 8c. Check the box to indicate if the issuer or counterparty is a U.S. person or a foreign person.

Lines 8d and 8e. Enter the mailing address of the issuer or counterparty. If the issuer or counterparty has a mailing address in the United States, you can enter the U.S. mailing address.

Paperwork Reduction Act Notice.
We ask for the information on this form

to carry out the Internal Revenue laws of the United States. Section 6038D requires specified individuals and specified domestic entities to report specified foreign financial assets in which they have an interest. Form 8938 is used to comply with this reporting requirement.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123. The estimated

burden for all other taxpayers who file this form is shown below.

Learning about the law or the form	57 min.
Preparing the form	2 hrs., 52 min.
Copying, assembling, and sending the form to the IRS	48 min.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Index

A

Assets Not Required To Be Reported:
Bona fide resident of a U.S. possession [8](#)
Domestic bankruptcy trusts [8](#)
Domestic investment trusts [8](#)
Duplicative reporting [8](#)
Excepted financial accounts [8](#)
Foreign grantor trusts [8](#)
Other excepted specified foreign financial assets [8](#)

C

Criminal Penalties [9](#)

D

Determining the Total Value of Your Specified Foreign Financial Assets:
Assets reported on another form [4](#)
Asset with no positive value [4](#)
Joint interests [4](#)
Value of an interest in a foreign estate, foreign pension plan, and foreign deferred compensation plan. [4](#)
Value of an interest in a foreign trust during the tax year. [4](#)
Valuing specified foreign financial assets [4](#)

E

Excepted Specified Domestic Entities [3](#)
Certain domestic trusts [3](#)
Domestic trusts owned by one or more specified persons [3](#)
Entities described in section 1473(3) [3](#)
Exception if no income tax return required. [1](#)

F

Failure-to-File Penalty [9](#)
Continuing failure to file. [9](#)
Foreign currency conversion: Currency determination date [7](#)
Fraud Penalty [9](#)

G

General Instructions:
Future developments [1](#)
Items of Interest [1](#)
Purpose of Form [1](#)
Specified Foreign Financial Assets [1](#)
What's New [1](#)
When and How To File [1](#)

I

Identifying Information.:
Form 8938 for previously filed annual return [10](#)
Taxpayer identification number (TIN) [10](#)
Type of filer [10](#)
Interests in Specified Foreign Financial Assets:
Assets generating certain unearned income of children (Kiddie tax election) [6](#)
Assets held by disregarded entities. [6](#)
Assets held by entities that are not disregarded entities [6](#)
Assets held by grantor trust [6](#)
Assets held in financial accounts [6](#)
Foreign estates and foreign trusts [6](#)
Foreign pension plans and foreign deferred compensation plans. [6](#)
Jointly owned assets [6](#)

J

Joint interests [4](#)
Joint Interests:
Examples [5](#)
Joint ownership with a spouse who is not a specified individual or someone other than a spouse. [4](#)
Joint ownership with spouse filing joint income tax return. [4](#)
Joint ownership with spouse filing separate income tax return. [4](#)

M

Married taxpayers filing a joint income tax return living outside the United States [3](#)
Married taxpayers filing separate income tax returns living outside the United States [4](#)

P

Paperwork Reduction Act Notice [12](#)
Part I, Foreign Deposit and Custodial Accounts Summary:
Line 1 [10](#)
Line 2 [10](#)
Line 3 [10](#)
Line 4 [10](#)
Line 5 [10](#)
Part II, Other Foreign Assets Summary:
Line 1 [10](#)
Line 2 [10](#)
Line 3 [10](#)
Part III, Summary of Tax Items Attributable to Specified Foreign Financial Assets [10](#)
Part IV, Excepted Specified Foreign Financial Assets: Foreign grantor trusts [10](#)
Part V, Detailed Information for each Foreign Deposit and Custodial Account Included in the Part I Summary:
Line 1 [10](#)
Line 2 [10](#)
Line 3 [10](#)
Line 4 [10](#)
Line 5 [10](#)
Line 6 [10](#)
Line 7 [10](#)
Line 8 [10](#)
Line 9 [10](#)
Part VI, Detailed Information for each "Other Foreign Asset" Included in Part II Summary:
Joint interests [11](#)
Line 1 [11](#)
Line 2 [11](#)
Line 3 [11](#)
Line 4 [11](#)
Lines 5 and 6 [11](#)
Lines 7a through 7d [11](#)
Lines 8a through 8e [11](#)
Penalties, Accuracy-Related: Examples [9](#)
Penalties, Criminal [9](#)
Penalties [9](#)
Continuing failure to file. [9](#)
Effect of foreign jurisdiction laws [9](#)
Failure-to-File Penalty [9](#)
Married taxpayers filing a joint income tax return [9](#)
Presumption of maximum value [9](#)
Reasonable cause exception [9](#)
Presence abroad. [4](#)
Purpose of Form [1](#)

R

Reporting Maximum Value:
Assets with no positive value [7](#)
Foreign currency conversion [7](#)
Reporting the value of jointly owned assets [7](#)
Valuing financial accounts [7](#)
Valuing interests in foreign estates, foreign pension plans, and foreign deferred compensation plans. [7](#)
Valuing interests in foreign trusts [7](#)
Valuing other specified foreign financial assets [7](#)
Reporting Period:
Examples [7](#)
Exception for partial tax years of specified individuals. [7](#)
Reporting the value of jointly owned assets:
Married specified individuals filing a joint income tax return [7](#)
Married specified individuals filing separate income tax returns [7](#)
Other joint ownership [7](#)
Reporting Thresholds [3](#)
Married taxpayers filing a joint income tax return and living in the United States [3](#)
Married taxpayers filing separate returns and living in the United States [3](#)
Presence abroad [3](#)
Reporting Threshold Applying to Specified Individuals [3](#)
Taxpayers living abroad [3](#)
Unmarried taxpayer living in the United States [3](#)

S

Special Rules:
Assets reported on another form [4](#)
Specific Instructions:
Additional sheets [9](#)
Before you begin [9](#)
Specified Domestic Entity [2](#)
Closely held domestic corporation [2](#)
Closely held domestic partnership [2](#)
Connected stock or partnership ownership [2](#)

Specified Domestic Entity (Cont.)

Constructive ownership [2](#)
Current beneficiary [3](#)
Domestic trusts [3](#)
Exception from passive income treatment for dealers [2](#)
Passive income [2](#)
Passive income or assets of related corporations and partnerships [2](#)
Percentage of passive assets held by a corporation or partnership [2](#)
Special rule for general powers of appointment [3](#)
Specified Foreign Financial Assets:
Assets held for investment [5](#)

Financial account [5](#)
Foreign financial institution [5](#)
Foreign social security [5](#)
Other specified foreign financial assets [5](#)
Specified Individual [1](#)
Special rule for dual resident taxpayers [1](#)
Special rules for resident aliens [1](#)
Specified individual filing as a nonresident alien at the end of his or her taxable year [1](#)
Specified individual filing as a resident alien at the end of his or her taxable year [1](#)
Statute of Limitations:
Extended statute of limitations [9](#)

T
Taxpayers living outside the United States [3](#)
Tax year. [10](#)

U
Unmarried taxpayers living outside the United States [3](#)

V
Valuing other specified foreign financial assets.:
Example [7](#)

W
When and How To File:
Individual taxpayers transitional rule. [1](#)
Who Must File:
Exception if no income tax return required [1](#)
Specified individual [1](#)
