



FBAR vs. Form 8938

COMPARING THE TWO FOREIGN ASSET REPORTING REQUIREMENTS

If you hold financial accounts or other assets outside the United States, you may owe the IRS more than one report. FBAR (FinCEN Form 114) and Form 8938 (the Statement of Specified Foreign Financial Assets) are separate requirements, built on separate laws, sent to separate agencies. Filing one does not satisfy the other, and many clients need to file both. This guide lays out how the two compare, so you know exactly what applies to your situation.

Who Has to File

Form 8938

Specified individuals (U.S. citizens, resident aliens, and certain nonresident aliens) and specified domestic entities that hold specified foreign financial assets above the reporting thresholds below.

FBAR

U.S. persons, a group that includes citizens, resident aliens, trusts, estates, and domestic entities, with a financial interest in or signature authority over foreign financial accounts that exceed the threshold. This also reaches resident aliens of U.S. territories and territory entities.

Reporting Thresholds

Form 8938 (varies by filing status and residency)

Filing status / residency	Year-end value	Value at any time in the year
Unmarried, or married filing separately — living in the U.S.	\$50,000	\$75,000
Married filing jointly — living in the U.S.	\$100,000	\$150,000
Unmarried, or married filing separately — living abroad	\$200,000	\$300,000
Married filing jointly — living abroad	\$400,000	\$600,000
Specified domestic entity	\$50,000	\$75,000



Thresholds shown are for individuals. A specified domestic entity uses the U.S.-resident individual thresholds.

FBAR (one flat threshold)

FBAR uses a single test: if the combined value of your foreign financial accounts exceeds \$10,000 at any point during the calendar year, you must file. There's no separate threshold for residency or filing status, and the \$10,000 is measured across all your foreign accounts added together, not account by account.

What Counts as a Reportable Interest

The two forms also define “your” interest in an asset differently, which is part of why the same account can be reportable on one form but not the other.

- Form 8938 asks whether income, gains, losses, deductions, credits, or proceeds from the asset would need to appear on your tax return.
- FBAR asks whether you have a financial interest, meaning ownership or legal title, or sufficient interest in the entity that holds the account, or signature authority, meaning you can direct what happens to the funds by communicating directly with the institution, even if the account isn't yours.

Which Assets Are Reportable

Coverage differs asset by asset. The table below shows where the two forms line up and where they don't.

Asset type	Form 8938	FBAR
Foreign financial accounts (bank, brokerage)	Yes	Yes
Foreign branch of a U.S. financial institution	No	Yes
U.S. branch of a foreign financial institution	No	No
Signature authority only, no ownership interest	No	Yes
Foreign stocks or securities held in an account	Yes*	Yes*
Foreign stocks or securities held directly, not in an account	Yes	No
Foreign partnership interests	Yes	No
Indirect interests through an entity you own more than 50% of	No	Yes



Asset type	Form 8938	FBAR
Foreign mutual funds	Yes	Yes
U.S. mutual funds that hold foreign investments	No	No
Foreign grantor trust assets	Yes	Yes**
Foreign life insurance or annuity contract with cash value	Yes	Yes
Foreign hedge funds and private equity funds	Yes	No
Foreign real estate held directly	No	No
Foreign real estate held through a foreign entity	Partial	No
Foreign currency held directly	No	No
Precious metals held directly	No	No
Personal property and collectibles	No	No
Foreign social security or government benefits	No	No

** The account itself is reportable; its individual holdings aren't separately listed. ** Foreign grantor trust accounts are reportable on FBAR; other trust assets that aren't held in an account are not.*

Valuation

Form 8938

Report the fair market value of each asset in U.S. dollars, translated using the exchange rate as of the last day of the tax year.

FBAR

Report the maximum value that appeared on periodic account statements during the year, also translated using the year-end exchange rate.



Deadlines and Where to File

	Form 8938	FBAR
Where it's filed	Attached to, and filed with, your federal income tax return	Filed separately and directly with FinCEN, not with your tax return
How it's filed	On paper or electronically with your Form 1040	Electronically, through FinCEN's BSA E-Filing System
When it's due	Same due date as your tax return, including extensions	April 15, with an automatic extension to October 15

Penalties for Getting It Wrong

	Form 8938	FBAR
Failure to file	Up to \$10,000	Non-willful: up to \$10,000 per violation
Continued failure after IRS notice	An additional \$10,000 for each 30-day period, up to \$50,000 more (a \$60,000 maximum in total)	Willful: the greater of \$100,000 or 50% of the account balance, per violation
Other exposure	Criminal penalties possible in serious cases	Criminal penalties possible in serious cases

The Bottom Line

Form 8938 and FBAR are two separate filing obligations that often travel together but never substitute for each other. The thresholds differ, the definitions of a reportable interest differ, and the list of covered assets differs enough that a careful, asset-by-asset review is the only reliable way to know what you owe the government each year. If you're unsure where your accounts and other foreign holdings fall, talk with your Crossbridge advisor before your filing deadline. Getting ahead of it is far less costly than untangling a missed filing after the fact.

Source: IRS, "Comparison of Form 8938 and FBAR Requirements," irs.gov/businesses/comparison-of-form-8938-and-fbar-requirements. This document is for general information only and is not tax or legal advice for any specific situation.
