



## **Reminder Regarding United States Reporting Requirements For Interests In or Signature Authority over Non-U.S. Financial Accounts**

The University of British Columbia (“UBC”) would like to remind its faculty members who are citizens or lawful permanent residents of the United States (“U.S. Persons”) that they may have certain U.S. reporting requirements regarding non-U.S. financial accounts. U.S. Persons who, during any calendar year, either have an interest in, or signature authority over, certain financial accounts outside of the United States are required to report their interest or authority over such accounts to the United States Department of the Treasury using Form TD F 90-22.1 (Report of Foreign Bank and Financial Accounts or “FBAR”) by June 30 of the succeeding calendar year. If you are required to report, the penalties for failing to do so can be severe.

We have provided below certain general guidelines to remind you of this reporting obligation, but we do not intend to and are not providing you with legal advice. Every person’s situation is unique and you should consult with your own United States federal tax counsel to determine if you are required to report your interest in or signature authority over non-U.S. financial accounts.

### **General guidelines**

The reporting requirement specifically applies only to certain financial accounts and certain types of authority with regard to such financial accounts.

- A **financial account** includes, among others, banking, securities, and brokerage accounts. The account in question must be maintained with a person who is in the business of providing that type of account, *e.g.*, a bank or securities brokerage.
- A person has an **interest in a financial account** when the person is an owner of record or legal title of the account regardless of whether any other person is another owner of record or legal title of the same account. A person also has an interest in a financial account if that person is an agent or nominee of a person who is the owner of record or legal title.
- A person has **signature authority** over a financial account if that person, acting alone or with another person, has the legal power to control the disposition of any funds in that account by direct communication with the person that maintains the account, *e.g.*, the bank or securities brokerage where the funds have been deposited.



## **University of British Columbia Research Accounts**

When UBC receives funding for research, the funds are deposited into a general UBC bank account. UBC staff members then create a “research account” in UBC’s internal accounting records for each grant or other funding source solely for purposes of tracking funds allocated to specific research projects. **These “research accounts” are for internal recordkeeping purposes only and do not correspond with an external bank account.**

Faculty members who can request the disposition of funds in such research accounts legally cannot authorize a withdrawal from any external bank account. The faculty member must contact the appropriate UBC department in order to release funds from a research account. If necessary, certain authorized UBC personnel may then cause an appropriate amount of funds to be released from a bank account that UBC maintains.

For these reasons, UBC believes that faculty members who are U.S. Persons and that can request the disposition of funds in internal research accounts are not required to report such accounts on a Form TD F 90-22.1. (A faculty member who is a U.S. Person may be required to report other non-U.S. financial accounts using Form TD F 90-22.1.)

If you have any concerns regarding your requirement to report your signature authority over a UBC internal research account or any other non-U.S. account, you should consult with your own U.S. federal income tax legal counsel. This is not intended to be and is not legal advice nor can it be used by you or any other person for the purpose of avoiding U.S. federal tax penalties.

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