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I am an American small business owner in Germany. I run a small (5 person) technology consulting company that advises startups on expanding to Germany. Our annual revenue is between 500K and 1M EUR which rarely results in any profits.

Here are my complaints with the FBAR filing:

1. The logic of the FBAR reporting methodology does not fit with reality. FBAR requires me to find and report the date of the highest account balance of each account in the year. My business has two bank accounts. Money is regularly transferred between both accounts. In this scenario, I would, for example, report account #1 had 50,000 EUR on 03.03.2024 as the most in the year, transfer 30,000 EUR to account #2 on 04.03.2024 and report account #2's highest amount as 30,000+ EUR on 04.03.2024. This is the same money(!), but reflects a maximum amount of 80,000 EUR and does not reflect the difference of the transfer. The same could be said for one's private checking and savings accounts. This makes the FBAR reporting as a total asset calculation very inaccurate and exaggerated.

2. Reporting the date of the single highest account balance is difficult due to the balance sheets provided by foreign banking institutions. Most my German bank accounts do not provide an account balance after each transaction. I have attached a redacted example. They provide a balance at the beginning and end of each month. They also restrict access to any records besides PDFs after one year (for example CSVs). This makes calculating the single daily highest amount in a year very time consuming and cumbersome which is extra frustrating given the logical fallacies of point 1.

3. In general the FBAR (and FATCA) bank reporting requirements makes it very difficult to find a bank to work with. Several smaller German banks will simply not work with Americans because they do not want the reporting requirements. This puts me at a disadvantage and I cannot access financial instruments that my non-American peers can, such as business loans, mortgages, leasing options, investment accounts, savings accounts, etc. I have had several accounts terminated by banks when they decided to stop working with American customers.

For these reasons, I do not honestly believe that the FBAR filing requirements benefit the IRS in any way. They are not accurate, cumbersome to calculate and restrictive to Americans who want to improve their businesses. This serves to disadvantage the IRS rather than provide any meaningful information.

I look forward to changes in these requirements that discriminate and disadvantage foreign citizens compared to our domestic compatriots.