

## Fewer Voluntary Disclosure Options for U.S. Persons with Foreign Assets

The United States Offshore Voluntary Disclosure Program is ending on September 28, 2018. If you are a U.S. citizen living abroad, or you are living in the U.S. but hold foreign assets, this can sound terrifying. This is particularly true if you are unaware of the IRS reporting requirements for those assets. While it is true that an option for voluntary disclosure is being taken off the table, there are still several other options that might be available to you. Speaking to your cross-border tax counsel can clarify which option will work best for you.

The Offshore Voluntary Disclosure Program, which has existed in its current form since 2014 and is commonly referred to as "OVD," is one of several voluntary disclosure programs currently available to U.S. persons who have failed to report foreign financial assets and pay any tax due on those assets. Unlike other voluntary disclosure programs, the OVD is specifically designed for taxpayers with potential exposure to criminal liability or substantial civil penalties due to a willful failure to report foreign assets. While the disclosing party would still be responsible for all back taxes, penalties, and interest, the OVD was designed to provide taxpayers with protection from criminal liability and terms for resolving their civil tax and penalty obligations.

While the program was used heavily upon its introduction, [the IRS has experienced a steady decline in its use in recent years](#). Further, the IRS now believes there has been "an increase in awareness of offshore tax and reporting obligations," and will no longer be as forgiving for a failure to comply. As such, submissions under the OVD will no longer be accepted after September 28, 2018. The Delinquent International Information Return Procedures and the Streamlined Filing Compliance Procedures will remain available for eligible taxpayers.

If you have recently become aware of potential IRS reporting obligations, or have any questions relating to the reporting requirements of foreign assets, please contact any of the attorneys in our [Tax practice](#), or the attorney in our firm with whom you are regularly in contact.