

Dorothy Coleman

Vice President

Tax, Technology & Domestic Economic Policy

May 27, 2011

The Honorable Timothy F. Geithner
Secretary of the Treasury
United States Department of the Treasury
1500 Pennsylvania Avenue, NW, Room 3330
Washington, DC 20220

Dear Secretary Geithner:

RE: Final FinCEN Rule for Reports of Foreign Bank and Financial Accounts (FBAR)

The National Association of Manufacturers (NAM) – the nation's largest industrial trade association – respectfully requests the Treasury Department to reconsider or, at a minimum, delay the effective date of the new amendments to the Bank Secrecy Act regulations on the report of Foreign Bank and Financial Accounts (FBAR), issued on February 24, 2011. The new FBAR requirements, which have to be received by the Internal Revenue Service (IRS) by June 30, 2011, impose a new significant and unnecessary administrative burden on manufacturers of all sizes and across all industry sectors.

In particular, manufacturers are concerned about an expansion of a requirement that individuals with signatory or other authority over a foreign financial account file an FBAR with the Treasury Department. Under this rule, a wide range of corporate officers and other employees who have no financial interest in a foreign bank account are required to file an FBAR, listing information about various corporate bank accounts, even if the corporate account owner files FBARs with respect to such bank accounts.

The revised FBAR rules also require corporations to gather personal information about employees that many companies currently do not collect. In particular, these employers will have to keep records on the tax jurisdictions where each employee individually files an income tax return and a global list of all bank accounts listing all employees who have signature authority over these accounts and whether each employee is a U.S. person.

In addition, any individual who had signatory or other authority at any time during the year is required to file. This will require companies to both identify and notify these former employees about their obligations. In most cases companies likely will have to prepare the FBAR reports for these individuals and send the reports to them for signing and mailing. This effort will generate additional and significant administrative costs for companies.

Under the final rules, the FBAR filing requirements apply broadly across the economy, well-beyond the financial services sector. In addition, the requirement will apply to employees at companies of all sizes since the filing requirement applies if the aggregate value of all accounts exceeds \$10,000 at any time during the year. For many companies, including manufacturers, the final rules will impose onerous administrative and compliance costs without a corresponding benefit to the government.

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Manufacturers welcomed the Administration's initiative announced earlier this year directing agencies to review existing and proposed rules to impose the least burden on society and to maximize net benefits. NAM members believe that the FBAR rules described above are not consistent with the goal of increasing the competitiveness of manufacturing in the United States and will divert resources from businesses that could be better used for investment and jobs.

Thank you in advance for considering our request to reconsider the FBAR rules. We look forward to working with you and your staff on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Dorothy Coleman". The signature is written in a cursive style with a large, looped "D" and "C".

Dorothy Coleman
Vice President
Tax, Technology & Domestic
Economic Policy