



JOHNSTON  
CARMICHAEL

Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

T : 01224 212222  
F : 01224 210190  
E : [info@jcca.co.uk](mailto:info@jcca.co.uk)  
W : [www.jcca.co.uk](http://www.jcca.co.uk)  
DX: AB85

20 April 2009

The US Internal Revenue Service (IRS) has announced that all overseas companies with U.S. operations (such as a branch, etc.) have only 5 months left to declare the non-U.S. assets of their US operations to the IRS, if they have not previously done so!

In particular, the IRS announced that it has put a new penalty structure in place designed to encourage taxpayers with offshore assets to come into its voluntary disclosure program, offering those who comply the chance to avoid criminal prosecution and a battery of additional penalties. Under the voluntary disclosure guidelines, the IRS will look back six years and taxpayers must pay taxes, interest, and an accuracy or delinquency penalty for all years. In lieu of all other penalties, taxpayers will be assessed a penalty equal to 20% of the amount in foreign bank accounts and entities in the year with the highest aggregate account/asset value.

UK companies who have not filed Federal Income Tax Returns with all the required foreign information statements or has not filed the Report of Foreign Bank and Financial Accounts for all years that they were subjected to U.S. taxation **must act now to avoid criminal prosecution and even more severe penalties!**

If you would like to find out more about this initiative, please contact SNABC member Michael Donahue with Johnston Carmichael at [michael.donahue@jcca.co.uk](mailto:michael.donahue@jcca.co.uk) or 01224 259357.

## Closest to Your Business

Aberdeen, Edinburgh, Elgin, Forfar, Fraserburgh,  
Glasgow, Huntly, Inverness, Inverurie, Perth

A list of Partners, Consultants and Associates is available at our offices and on [www.jcca.co.uk](http://www.jcca.co.uk). Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants of Scotland