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Mar. 14, 2018



The Internal Revenue Service will begin to ramp down the 2014 Offshore Voluntary Disclosure Program (OVDP) and close the program on Sept. 28, 2018. By alerting taxpayers now, the IRS intends that any U.S. taxpayers with undisclosed foreign financial assets have time to use the OVDP before the program closes.

“Taxpayers have had several years to come into compliance with U.S. tax laws under this program,” said Acting IRS Commissioner David Kautter. “All along, we have been

clear that we would close the program at the appropriate time, and we have reached

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18,000 people came forward. The number steadily declined through the years, falling to only 600 disclosures in 2017.

The current OVDP began in 2014 and is a modified version of the OVDP launched in 2012, which followed voluntary programs offered in 2011 and 2009. The programs have enabled U.S. taxpayers to voluntarily resolve past non-compliance related to unreported foreign financial assets and failure to file foreign information returns.

### **Tax Enforcement**

The IRS notes that it will continue to use tools besides voluntary disclosure to combat offshore tax avoidance, including taxpayer education, Whistleblower leads, civil examination and criminal prosecution. Since 2009, IRS Criminal Investigation has indicted 1,545 taxpayers on criminal violations related to international activities, of which 671 taxpayers were indicted on international criminal tax violations.

“The IRS remains actively engaged in ferreting out the identities of those with undisclosed foreign accounts with the use of information resources and increased data analytics,” said Don Fort, Chief, IRS Criminal Investigation. “Stopping offshore tax noncompliance remains a top priority of the IRS.”

### **Streamlined Procedures and Other Options**

A separate program, the [Streamlined Filing Compliance Procedures](#), for taxpayers who might not have been aware of their filing obligations, has helped about 65,000 additional taxpayers come into compliance. The Streamlined Filing Compliance Procedures will remain in place and available to eligible taxpayers. As with OVDP, the IRS has said it may end the Streamlined Filing Compliance Procedures at some point.

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- Delinquent FBAR submission procedures; and
- Delinquent international information return submission procedures.

Full details of the [options available for U.S. taxpayers with undisclosed foreign financial assets](#) can be found on IRS.gov.

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