[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

RE: Advisory Regarding FBAR Non-Compliance and Penalty Mitigation

Dear **[Client Name]**,

This letter serves to advise you regarding your reporting requirements for the Report of Foreign Bank and Financial Accounts (FBAR), FinCEN Form 114, and the potential for mitigating penalties related to prior non-compliance.

Background
U.S. persons with a financial interest in or signature authority over foreign financial accounts exceeding $10,000 at any time during the calendar year must file an FBAR. Our records indicate that you may have had reportable accounts in prior years for which filings were not submitted.

Potential Penalties
The Internal Revenue Service (IRS) imposes significant penalties for failure to file. For non-willful violations, the penalty can reach $10,000 per violation (adjusted for inflation). For willful violations, the penalty can be the greater of $100,000 or 50% of the account balance at the time of the violation.

Mitigation Strategy
To reduce or eliminate these penalties, we recommend the following proactive measures:

- **Delinquent FBAR Submission Procedures:** For taxpayers who have reported all income but missed the FBAR filing.
- **Streamlined Filing Compliance Procedures:** For taxpayers whose failure to report was non-willful, allowing for reduced penalty structures.
- **Reasonable Cause Defense:** Providing a written statement demonstrating that you acted in good faith and had a legitimate reason for the oversight.

Next Steps
To move forward with a mitigation plan, we require documentation for all foreign accounts held during the last six tax years. We will review these records to determine the most advantageous disclosure path for your specific situation.

Please contact our office by **[Date]** to schedule a consultation to discuss these options in detail.

Sincerely,

[Your Name/Firm Name]