

QUESTION: What if I don't know the balances in the foreign accounts on June 30 of the subsequent year (for purposes of computing the FBAR penalty)?

ANSWER: If you asked the taxpayer for the June 30 balances and the taxpayer cannot or does not provide that information, then:

- (1) document these facts in the case file **and**
- (2) use a balance based on the "best information available."

For example, if the taxpayer cannot provide the June 30 balances but has provided:

- (a) the maximum account balance, and
- (b) the year-end account balance

then you may use the balances on either of these dates to compute the FBAR penalty.