

Dear Representative Adrian Smith and Representative John Larson,

I am writing to ask the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform to repeal or revise the Foreign Account Tax Compliance Act (FATCA) that is destroying the community of Americans living overseas.

I am a US (and German) citizen who has resided in Germany for the past 45 years – I have not even set foot in the United States since 1996! It is unavoidable for me to have foreign deposit and investment accounts. This has nothing to do with tax evasion: I earn my living and do my day-to-day business here. And I have begun to experience that FATCA legislation along with the FBAR (Foreign Bank Account Report) are having serious negative consequences for those of us living abroad and for the US economy.

American citizens have become pariahs in the international financial community because of FATCA and are being denied financial tools essential for survival. Foreign financial institutions are not willing to take on the additional workload of the complex reporting requirements for American clients nor to risk the consequences to their subsidiaries and branches in the United States if they do not comply correctly. They also, understandably, consider the reporting requirements an insulting and unacceptable imposition by a foreign entity.

Business opportunities for Americans overseas are blocked due to the 10% American ownership reporting threshold for start-ups and business ventures.

Foreigners are backing away from investments in the US due to the increased oversight, risks and dangers of financial reporting in the United States.

FATCA creates a new barrier to U.S. exports as companies and start-ups are loath to hire Americans or deal with Americans due to increased exposure to the IRS/Treasury and reporting requirements.

FATCA creates systemic risks for the entire international financial community.

FATCA puts Americans working overseas at personal and financial risk due to unsecured data transfer of highly sensitive financial and personal information.

I have been personally affected by this situation, since I invest in US securities, many of which are effectively not traded on foreign exchanges. I had a great deal of difficulty finding a broker with reasonable fees for trading in New York who would take me as a client. Most German banks no longer accept US persons as customers and although I was able to open a brokerage account with a German online broker in November 2011, I received a cancellation notice six months later – the brokerage would no longer be able to accept clients with an effective connection to the United States. My choices are now severely limited; I have taken refuge with a broker who transmits orders through the UK subsidiary of an American online broker and they are in fact willing to work for US persons, but on the other hand they are not able to do the tax bookkeeping and withholding required for the German income tax.

I have spoken to many of my American friends who like me have chosen to live in

Europe and we feel we have been abandoned by our native country and are effectively being criminalized because we have exercised our right to choose our place of residence. We realize that measures against tax evasion are necessary, but why us? We are not evading taxes. These laws are excessive and unfair and amount to throwing the baby out with the bathwater.

Please repeal or revise FATCA and please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). A move towards a residence-based system, like the rest of the world, would resolve the issues of FATCA and FBAR while creating a simpler and fairer system for Americans living abroad. It would also **increase** US tax revenue, not reduce it, and end the waste of compliance resources for very little return.

Yours sincerely,

Gordon Wassermann