

Langenthal, CH

11 APR 2013

The Honorable Representative Adrian Smith
The Honorable Representative John Larson
Financial Services Tax Committee
United States House of Representatives
Washington, DC 20515
USA

Repeal FATCA

Dear Representative Smith and Representative Larson,

I am writing to ask that 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 working overseas.

The economic arguments listed below you have certainly read many times before, so I will start with one critical social argument.

FATCA deters good people from becoming Americans.

How so? The best way to explain it is to use a concrete example. My son was born here in Europe. Because I am American, he is, by birthright also entitled to become an American. My son's mother is a citizen of Liechtenstein. Because of the drama with FATCA, **she will not register his birth with the US Embassy and will not apply for his US passport.** She refuses to allow him to appear on the radar of any US agency, department, or organization whatsoever. As you can imagine, this caused some heated and emotional discussions. However, after I looked at this objectively, I had to agree that this was the right way to go. By doing this, I will spare my son the drama, stress, and difficulties I am now going through.

If this continues on a grander scale, where will America be in one generation? I can answer that for you. The productive, responsible, free thinkers will be gone. All we will have left will be the sheep.

Here are the economic arguments skillfully assembled by the ACA:

As one of nearly 7 million American citizens living, working and voting from abroad, and contributing to the economic growth of the U.S. economy, FATCA legislation along with FBAR (Foreign Bank Account Report) is having serious negative consequences for those of us working 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.
- 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 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. I have been a customer of The Berner Kantonalbank (BEKB) since January 1999 when I first moved to Switzerland. Last year, they kicked me out. They canceled all my accounts. It was as embarrassing and annoying for them as it was for me. I am not able to open a new account in any normal bank. I am not a big enough fish for private banks such as Julius Bär. Our last resort as Americans was PostFinanz. Until 2013, they were not officially a bank and had a mandate from the Swiss Parliament to provide banking services to all residents of Switzerland. Much to our surprise, PostFinanz decided to become a bank. They also decided to comply with FATCA. So, now I am stuck. We are all stuck. My life is here now. My children are here. I run a small consulting business and cannot run it on a cash basis. Things just don't work that way anymore. I need banking services. If FATCA survives until it goes into effect here in 2014, the only way I will be able to stay in the country AND make a living is if I give up my citizenship of the United States of America. I can live with a broken heart, but my children and I cannot live without an income.

FATCA also causes problems for non-Americans who have the misfortune to be in the same organization as an American whenever money and bank accounts are involved.

I have the dubious honor of being the manager of our small condominium building. Thus, I have to pay all the bills and manage the money. Thus, our 2 bank accounts are in my name. The Raiffeisen Bank must comply with FATCA and as a result, made the business decision to minimize their risk. This meant removing Americans from their customer list. We proposed changing the proxy over to one of the Swiss citizens in the building, but they did not accept the proposal. Technically, part of the funds in the accounts belongs to me, and thus the FATCA applies even though my name is not on the account. The result... unnecessary problems and stress for two Swiss families. FATCA has absolutely nothing to do with them, yet now, because of me, they are affected. (And not in a positive way!)

Please repeal 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 and increasing more tax revenue than the current system, which wastes compliance resources for very little return.

With kind regards,

Ian R. Bland