



*Asset Protection & Offshore Living:*

THAT'S THE WAY IT LOOKS FROM HERE WITH BOB BAUMAN

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## Sovereign Society Joins Anti-FATCA Coalition

Bob Bauman (July 19, 2011)

On Monday the **Sovereign Society** joined with other members of the [Coalition for Tax Competition](#) in sending letters to the Secretary of the U.S. Treasury, Timothy Geithner, and to leaders of the U.S. Congress endorsing the one-year delay in the effective date of the [Foreign Account Tax Compliance Act](#) (FATCA), but calling on the Treasury to conduct [a cost-benefit analysis](#), and on the [congressional leadership to repeal FATCA entirely](#).

The Coalition drive to repeal FATCA is led by the [Center for Freedom and Prosperity \(CF&P\)](#). Andrew Quinlan, CfP president said the IRS delay of FATCA “only delays the damage” and the heavy regulatory burden it would place on offshore financial institutions.

Erika Nolan, Sovereign Society executive director, joined in the statement with other Coalition members, including the U.S. Chamber of Commerce, American Enterprise Institute, Heritage Foundation, the American Legislative Exchange Council and 24 other leading U.S. groups.

### **Part of the HIRE Act**

Passed in 2010 by the then Democrat-dominated Congress as part of the Hiring Incentives to Restore Employment Act (HIRE), FATCA threatens foreign financial centers with a 30% withholding tax on U.S. accounts if they don't comply with an onerous reporting regime on all U.S. clients. No hearings were held on this radical proposal and few knew it was in the pending bill, just as its sponsors wanted it.

FACTA is yet another example of tax hungry bureaucrats at the U.S. Internal Revenue Service and their leftist allies in the U.S. Congress pretending to have power to legislate restrictions on Americans' offshore financial activities without ever considering the disastrous results of their zealous stupidity.

The Center for Freedom and Prosperity and the Coalition for Tax Competition have been leaders in opposing FATCA.

## Many Protests

Typical of the official protests against FATCA from foreign governments was that of Canada's Finance Minister, **Jim Flaherty**, who says [his government believes](#) that FACTA imposes an unnecessary "substantial administrative burden" on offshore banks and financial firms and will not accomplish its supposed goals. He was joined in his concern by the Canadian Bankers Association.

In [a disturbing account in his blog](#), Dan Mitchell of the Cato Institute correctly points out that while some of us in America who understand its impact are alarmed by FATCA "...since the burden is largely falling on foreigners, there's no groundswell among voters to repeal the law, even though it will impose far more damage on the American economy."

## Support the Battle for Offshore Freedoms

I urge you to join personally with the Sovereign Society and the Coalition and take part and support the campaign to repeal FATCA. Write and email your [U.S. senators](#) and your [congressmen](#) and encourage others to do so, especially those you know who are in banking and financial professions. A sample letter prepared by Americans Citizens Abroad [can be found here](#) and although it is much too long, it does provide the arguments against FATCA.

I know the cynical among us will question the efficacy of citizen action these days, but remember in this battle we are joined by a group U.S. politicians always try to please – banks.

You might also contribute to the educational and research **CfP Foundation** in support of their unique work and leadership in this continuing battle for offshore financial rights. [You can donate by clicking here](#). The Foundation is a not-for-profit organization incorporated under Section 501(c)(3) of the Internal Revenue Code and donations to CF&P Foundation are tax deductible for U.S. individuals and companies.

*Bob Bauman*

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