



## Facebook Co-Founder Renounces US Citizenship For Tax Reasons

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# IRS

Department of the Treasury  
**Internal Revenue Service**

One of the four co-founders of social networking website [Facebook](#) has renounced his US citizenship prior to the company's initial public offering (IPO) — a move that could save him millions in taxes, according to a Friday report by [Bloomberg](#)'s Danielle Kucera, Sanat Vallikappen and Christine Harper.

As Kucera, Valikappen, and Harper first reported, Brazilian-born billionaire Eduardo Saverin, one of the men who helped Facebook CEO Mark Zuckerberg create the social media juggernaut, has surrendered his citizenship in the United States in favor of Singapore, where he currently resides and where there are no capital gains tax.

"Eduardo recently found it more practical to become a resident of Singapore since he plans to live there for an indefinite period of time," Tom Goodman, a spokesman for Saverin, told Bloomberg via email.

With Facebook's forthcoming IPO being valued for as much as \$96 billion, it could save the 30-year-old entrepreneur as much as \$600 million when he opts to sell his shares of the company, [Foxnews.com](http://Foxnews.com) has reported. His name was listed among those on an [IRS](http://IRS) document revealing individuals who have chosen to expatriate, which was released on April 30, according to news reports.

David Goldman of [CNNMoney](http://CNNMoney) said that it is not currently known exactly how much of the company Saverin currently owns. The Facebook co-founder, who is no longer actively involved in its day-to-day operations, owned 5% of the website as recently as 2009, Goldman said, citing the David Kirkpatrick book "The Facebook Effect."

However, he has sold off some of those shares in the past three years, as he was not listed as one of those owning at least 5% of the company in Facebook's pre-IPO regulatory filings, the CNNMoney reporter added.

"The move, which sees him turn his back on the country in which he made his fortune, will no doubt outrage Americans," the [Daily Mail](http://Daily Mail) reported in a May 11 article. "And the 30-year-old is hardly strapped for cash, becoming famous for his playboy lifestyle in Singapore, where he buys bottles of champagne at the most exclusive clubs for supermodels and the super-rich."

Some view Saverin's move as a result of flaws in US federal tax regulations.

In an article for [Forbes.com](http://Forbes.com), Daniel J. Mitchell of the [Cato Institute](http://Cato Institute) said, "It is very sad that America's tax system is so onerous that some rich people feel they have no choice but to give up U.S. citizenship in order to protect their family finances... there's also lots of evidence of taxpayers escaping countries controlled by politicians who get too greedy. Mr. Saverin is just the latest example."

"The statistics say these people are 'tax traitors' and 'economic Benedict Arnolds,' but those views are based on a quasi-totalitarian ideology that assumes government has some sort of permanent claim on people's economic output," he added. "If people are leaving America because our tax law is onerous, that's a signal we should reform the tax code. Attacking those who expatriate is the fiscal version of blaming the victim."