

European Parliament

2014-2019



Committee on Petitions

PROGRAMME
Public Hearing

***“FATCA and its extraterritorial impact
on EU citizens”***

12 November 2019, 10:15 to 12:30

European Parliament, Brussels

**PHS building
Room 1A002**

Background

In 2016, the Committee on Petitions was seized with a petition from a collective of European citizens raising concerns about the adverse effects of the US Foreign Account Tax Compliance Act (FATCA), its implementing intergovernmental agreements (IGAs) and the extraterritorial impact of citizenship-based taxation (CBT).

Since the entry into force of FATCA and the related IGAs concluded between Member States and the US, EU financial institutions, under the threat of a 30 % withholding tax, have to disclose detailed information on accounts held by presumed 'US persons' to the US Internal Revenue Service (IRS). FATCA aims to prevent tax evasion by 'US persons' and requires foreign financial institutions to search for 'US persons' by looking at a variety of indicators, such as birthplace in the US, or a US telephone number. This use of indicators, enforced by FATCA, might result in the arbitrary exposure and punishment of individuals who might, in reality, have no substantive ties to the US. This includes the 'accidental Americans' who, by accident of birth, inherited US citizenship, but who maintain no ties to the US, having never lived, worked or studied in the US and who do not hold US social security numbers.

Those persons falling within the definition of 'US persons' have their savings accounts frozen and are denied access to all banking services, including life insurance, pensions and mortgages, due to the reluctance of financial institutions to follow costly FATCA reporting. In addition, their EU family members are seeing their personal data shared with the US and their access to EU banking services curtailed (e.g. joint accounts and/or mortgages). Moreover, 'accidental Americans' who do not want to be affected by FATCA are obliged to formally renounce their US citizenship, which is a very cumbersome process for which a US social security number (SSN) or a US international tax identification number (TIN) is required which, inter alia, most 'accidental Americans' do not possess.

Coordinators of PETI Committee decided to organise this Hearing, possibly jointly with the ECON and LIBE Committees, in order to facilitate an exchange of views between the various stakeholders and find solutions to the issues faced by EU citizens affected by FATCA.

Documents/links provided:

- petition and additional documents received;
- study of the Policy Department C, "FATCA Legislation and its Application at International and EU Level;"
- Question for oral answer on the adverse effects of FATCA on EU citizens (O-000053/2018);
- Resolution on the adverse effects of FATCA on EU citizens and in particular 'accidental Americans' (2018/2646(RSP));
- "Information report on the subjecting of French citizens born in the United States to American taxation," by co-rapporteurs Marc Le Fur and Laurent Saint-Martin: <https://bit.ly/2K1qe2c>.

Order of business

WELCOME

10:15 – 10:20 **Ms Dolors Montserrat**, Chair of the Committee on Petitions

10:20 – 10:30 **Mr. J.R. [petitioner]**

Presentation of petition 1088/2016 on the US' Foreign Account Tax Compliance Act's (FATCA) alleged infringement of EU rights and the extraterritorial effects of US laws in the EU

FIRST PANEL - Financial services

10:30 – 11:20 (50 minutes)

10:30 – 10:50 **Mr. Laurent St. Martin**, Member of Parliament, France

Mr. Reijer Janssen, Deputy-director of international affairs and consumption taxes, Ministry of Finance, Netherlands

Policies on exchange of tax information with the US: national experiences

10:50 – 11:00 **Mr. Roger Kaiser**, Senior Policy Adviser - Tax & Compliance, European Banking Federation

Compliance with FATCA requirements in the European banking sector

11:00 – 11:20 Q&A session

SECOND PANEL - Indirect effects of FATCA on EU citizens

11:20 – 12:25 (1 hour 5 minutes)

11:20 – 11:30 **Mr. Fabien Lehagre**, President of Association des Américains Accidentés (AAA), France

Civil society efforts and initiatives in support of EU citizens affected by FATCA

11:30 – 11:40 **Mr. Filippo Nosedà**, Partner in Mishcon de Reya LLP and Visiting Professor at King's College, London, UK

FATCA strategic litigation

11:40 – 11:50 **Ms. Alisa Vekeman**, DG JUST, European Commission

Safeguards of EU citizens' data protection rights under the GDPR

- 11:50 – 12:00 **Ms. Ismini Rigopoulou, European Data Protection Board**
Potential conflicts between FATCA and EU data protection legislation
- 12.00 – 12.25 Q&A session

CONCLUDING REMARKS

- 12.25 – 12:30 **Ms Dolors Montserrat, Chair of the Committee on Petitions**

IMPORTANT NOTICE FOR THOSE WISHING TO ATTEND THE MEETING

This meeting is open to the public. However, for security reasons, participants who do not have a European Parliament access badge must obtain a pass in advance. Those wishing to obtain such a pass should register online via the following e-mail address: peti-secretariat@europarl.europa.eu **before 4 November 2019 at noon**. Without the online registration duly filled in, the Security Service will not provide entry passes.¹

PRACTICAL GUIDELINES FOR THE DEBATE

- *Speakers wishing to supplement their speeches may do so in writing by submitting a document (preferably in English or French) in advance to the secretariat (email: peti-secretariat@europarl.europa.eu). These documents will be circulated during the meeting.*
- *Meeting documents will be progressively added to the Events section of the PETI Committee pages: <http://www.europarl.europa.eu/committees/en/peti/events-hearings.html>.*

THE MEETING IS BROADCASTED LIVE AND RECORDED

PETI Committee pages:

<https://www.europarl.europa.eu/committees/en/peti/home.html>

ADDITIONAL INFORMATION

Andreea Craciun
Administrator for PETI secretariat
Office: SQM 08 Y 097
Phone: +32(2) 28 30063
andreea.craciun@europarl.europa.eu

Judit Wessel
Assistant for PETI secretariat
Office: SQM 08 Y 009
Phone: +32(2) 28 31462
judit.wessel@europarl.europa.eu

¹ The processing of personal data is subject to Regulation (EC) No 45/2001 of 18 December 2001 (OJ.L 8 12.1.2001, p. 1)