

April 15, 2015

To Whom It May Concern,

I am an American citizen who has now been living in Europe for more than 15 years, most recently in the U.K. I am not working in finance and I have never been on a traditional "expat" package. I am writing because I am being constantly penalized financially on both sides of the pond for being an American and that current tax legislation, investment restrictions and reporting makes me financially worse off than any American living in the U.S. or Brit living in the U.K.

I quickly learned back in 2000 when I first moved to Europe that things were not going to be easy. When I first went to Citibank in Germany to open a bank account, I was told that my past banking history at Citibank in the U.S. could not be used to open an account, as they could not share bank details. I was additionally told that they would not be able to provide me any investment advice as I am an American citizen. The last point has been a continual theme for the last 15 years in Europe. No one will provide me with any investment advice as they do not want to work with Americans. What makes this so difficult is that when speaking with American financial institutions, such as Charles Schwab (remember I am an American citizen; my family is still in the U.S.), they tell me that I am not allowed to invest my money in a U.S. account because I am a resident abroad and they then direct me to the U.K. office. Basically, both U.S. and international financial institutions are not "allowed" to work with me because I am an American living abroad. I have been to evenings here in London in which advisors come and speak about the different investment mechanisms that are available to the Americans, but they are expensive and limited.

I now have a child and am wondering how I can best save for my and my child's future. If I am to invest in a mutual fund in the U.K. (that is exactly the same as a U.S. listed fund), I am asked to pay a higher rate of tax on the gains as it is accounted as ordinary income, which keeps me from making that investment. Why should I have to pay a different tax rate for a Fidelity fund offered in the U.K. versus a Fidelity fund offered in the U.S. if they are same? I do invest in a private pension offered by my company, but I know that this will also be taxed differently when I retire. I have to save somehow.

What people also do not appreciate is the amount of money that needs to be paid for tax preparation yearly (over \$1000) and the multiple forms that need to be completed to be "compliant". My expat friends and I are always talking about how we are made to feel like "criminals" trying to hide money away in foreign bank accounts, when in reality, we have (and need) these local bank accounts for our day to day lives – a place to receive our salaries, pay our mortgages from, pay the nursery, utilities, etc.

Ultimately, I am writing because I believe that the U.S. federal tax system should be residency-based for individuals, like nearly every other country in the world. Additionally, in the same way that there are tax treaties in place, I would like a same-country exception when reporting "foreign" bank accounts. My local bank accounts are not "foreign" to me, but "local" and I need them to live. I also need to have the ability to invest in my future as any local would be able to do and not be penalized for doing so.

I am an American working and living abroad who represents my countrymen and women every day. I say to people all the time that I live overseas because I love what I do and where I live. I am no means financially better off for doing so and my future financial security is constantly being challenged because of U.S. tax laws and the fact that institutions abroad would rather not deal with me than have to deal with the U.S. tax authorities.

My hope is that our overseas voices will be heard and the burden truly understood and removed.

All the best,

Genevieve Kunst