



Access to the Financial System

Americans living overseas, both expatriates and “Accidentals”, have experienced a variety of problems maintaining access to the financial system worldwide. Reasons cited are primarily regulation and fighting tax evasion.

Overseas Americans need access to basic banking services, savings vehicles and, especially, retirement plans on a low cost, non-discriminatory basis, both home and where they live and work. Both gaining such access and maintaining it have been recurrent problems both in the United States and abroad.

For US expats and dual nationals living in the EU, implementation of Directive 2014/92/EU, which has been transposed to national laws, assures access to basic banking services where they live. But it does nothing for savings vehicles or retirement plans in the EU, which are often treated punitively by the US tax code, access to banking services outside the EU, or for access to any financial accounts in the United States. US expats and dual nationals living in other regions, including Australia, Canada, Asia, and the Middle East, experience similar problems. Solutions are needed.

The implementing laws in EU countries to ensure access for all residents to basic banking services offer operational models that can be applied to all citizens, as well as residents. Where necessary, the monetary authorities designate a bank (not necessarily the person’s first choice) to offer basic services. The Federal Reserve or OCC should do the same in the United States to assure not only access to these services but also to the asset custody and brokerage services necessary to maintain IRAs and other tax-sheltered retirement accounts.

Foreign regulation, notably by the EU, should not be an acceptable justification for closing Americans’ US accounts. In particular, liquidation, and threats to liquidate, US-based tax-sheltered accounts accumulated over time, or other assets with unrealized gains, should be forbidden.