



## “Accidental Americans” Face Having Bank Accounts Blocked

Persons with foreign parents but born in the United States, although raised in their native countries, are considered U.S. citizens under the Fourteenth Amendment of the United States Constitution. Many of these citizens are at times referred to as “accidental Americans” and many do not know or understand of their “obligations” to the United States with this citizenship. These U.S. citizens are also subject to the Foreign Account Tax Compliance Act (FATCA) on March 18, 2010. FATCA was passed by President Barack Obama and accepted internationally by governments and financial institutions.

FATCA obliges financial institutes to forward certain financial information to the U.S. Department of Treasury of all U.S. citizens holding a non-U.S. financial account. Since 2015, European banks have been slowly complying with this law by providing details of customers who are U.S. citizens to the U.S. government. Most “accidental Americans” have no ties to the United States other than their citizenship but now face the impact of having their bank accounts blocked by their banks, or pension institutions. U.S. banks are also required to do so for any Americans living abroad.

The information provided to the U.S. Treasury includes account and BIC numbers, balances, interest, dividends of the foreign accounts. U.S. citizens are required to give their social security numbers to the foreign banks via the [Form W-9](#) (Request for Taxpayer Identification Number and Certification).

The main issue seems to be that persons born in the U.S., with foreign parents and dual citizenship, may not know of their obligations to the U.S. government since they feel they are not Americans having been accidentally born in the U.S. These accidental citizens must request a tax identification number to file the W-9 with the banks or face the blockage of their bank accounts.

The problem is that the U.S. is considering sanctions of a levy of 30% tax on all payments from the U.S. to the foreign banks. Also, a 50% fine can be levied on the bank accounts' balances for failure to report and file a [FBAR](#) (FinCEN Form 114-Report of Foreign Bank and Financial Accounts). In order to avoid the sanctions, the financial institutions may decide to block the bank accounts of customers whose data are incomplete by 2020.

The few options available is either to apply for a social security number in the USA or renounce the U.S. citizenship. Both procedures are lengthy and expensive for renunciation. In Belgium alone, around 1,000 people is estimated to be vulnerable by the law even though it is not known exactly how many persons outside of the United States were "born accidentally" in the U.S., and still do not have a social security number.

Contact us if you have any questions concerning these issues [here](#).

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