

US expats to give up citizenship following Trump victory

The number of expats revoking their American citizenship is expected to see a boost after Donald Trump is named the next president of the United States, leading tax advisers predict.



“US citizens are proud to be Americans, but at this rate my assumption is that we will see increasing queues in the American Embassies around the world with people wanting to give up their American passports,” Sigita Dromantaite, director of advisory firm US & UK Eagle Taxation, told *International Adviser*.

Canada outage

It comes as Canada’s main immigration website appeared to suffer repeated outages during Tuesday night as Trump’s astonishing victories unfolded in key battleground states increasing the chances that he would become the next president, reports *The Guardian*.

Data from Google suggests searches for ‘move to Canada’ spiked significantly during the night as the polling results were announced.

In June, Ireland’s immigration department experience a similar website crash as people in the UK looked for ways to retain their EU citizenship following the Brexit referendum outcome.

Currently in Paris, Erin Clor, an immigration lawyer with Belgian-based firm Fragomen Worldwide, said she “had heard a lot of jokes” from US expats living there about “obtaining French nationality today, but it is clear

that the comments come from a place of real fear, and real concern for our country”.

“I heard some American expats today, and the majority of them are on edge, very worried about the possibility of a Trump presidency,” she said.

Tax policies

Dromantaite added that most of her expat clients were hoping for a Clinton victory as the "lesser of two evils".

“American expats are an influential group in presidential elections in any year, but I have seen increased interest and concern in this presidential election.

“I have talked to my clients about their feelings concerning this year’s presidential election. Their concern was primarily for the future of America, given that this election year America does not have presidential candidates to be proud of,” said Dromantaite.

Also in Paris is Kevin Gaines, a tax accountant who runs an international tax firm of the same name in Florida, who said he does not anticipate “any major tax policy changes” over the next two years that would affect US citizens living overseas.

“Americans had been wanting the election process to end so the mudslinging would stop. The communication I'm hearing from back home is either shock and disbelief (including from some Trump supporters) or pure joy,” he said.

Fatca

Trump is unlikely to have much impact on the Foreign Account Tax Compliance Act (Fatca), introduced by Barack Obama in 2012, which requires every US expat to provide details of their worldwide income, explained Carl Mir, a tax accountant in Belgium, who specialises in advising US expats.

"Expats are hoping for some repeal of these [Fatca] policies but the possibilities may be slim-to-none especially with most of Europe enacting similar policies with CRS (common reporting standards)," he said.

Greg Dewald, chief executive of tax advisory firm Bright!Tax, made a similar point [last week](#).

The reporting requirement has led many of the estimated six to eight million US expats around the world being unable to open simple current accounts with foreign banks.

“The expat community is upset the way Fatca was carried through. It is nearly impossible for the average taxpayer to understand US tax laws. For example, my clients do not really understand why they have to pay IRS Net Investment Income Surcharge and why they have to pay high taxes on Passive Foreign Investment Companies (PFIC) gains,”

“This is indeed highly punitive tax regime for the investor just wanting to accumulate some money for the rainy day,” said Dromantaite.

Meanwhile, Gaines believes voluntary disclosure programs imposed under Fatca “could come to an end” under a new presidency.

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