

To: Finance Committee

Date: 30 April 2014

Re: Subject-matter of Bill C-31, An Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014

As a Canadian citizen I have some deep concerns about the IGA between Canada and the United States regarding FATCA (U.S. Foreign Account Tax Compliance Act). Though this act is being touted as a way to find American tax evaders, I believe that in the process many law abiding Canadian citizens will have their rights violated. Canadian citizens, who are not even suspected of any wrongdoing, will have their personal financial information passed on to a foreign government.

Though the current Conservative government may believe they have negotiated the best deal, it appears it is only the best deal for financial institutions and not for the Canadian people. **Please look at this not just through the eyes of banks, but also through the eyes of Canadian citizens.** As this will directly affect the estimated one million Canadians with U.S. citizenship or status and, by association, affect members of their family, businesses or employers, I strongly urge this committee to look very closely at what this deal will do to these Canadian citizens. Testimony should be taken from these people who will be affected by this Act and not just from financial institutions.

As an ex-American, this issue has already affected me. I'm not sure that I can describe the shock and anger I felt when I learned that without a CLN (Certificate of Loss of Nationality), my personal information could be forwarded by the Canadian government to the IRS. Though I relinquished my US citizenship in 1995, I do not have a CLN as ones were rarely given out back then and most people had never even heard of them. I have only heard of them very recently. I've never had to "prove" that I wasn't an American before.

While reviewing this implementation Act, the committee should be very concerned about:

- There are many elderly Canadians with past U.S. ties who are being conned by U.S. law and tax "experts" into paying unnecessary fees and penalties as clear information is not being provided by the U.S. and Canadian governments. As well, many of those seniors are not able to travel to get required documentation.
- There is very strong concern that this Act will be a violation of our Charter of Rights and Freedoms which distinctly forbids discrimination based on national or ethnic origin. This IGA will create a second-class Canadian citizen as well as open doors to other countries to demand personal information from Canadians with any ties to those countries. In fact, a Charter of Rights challenge is set to begin if this IGA, as it is currently written, does become law.
- There are many "non-active" or "accidental" Americans and even dual citizens in Canada who have no idea what this government has agreed to do with their personal information and have no idea they are even required to file tax returns to the IRS regardless of where they live in the world and regardless of whether or not they would owe any U.S. taxes.
- Most people are not aware of FBARs (foreign bank account reporting which was initially designed to stop drug money laundering). Even with no taxes owing, the excessive fines for not filing FBARs can bankrupt most ordinary people.

It has been suggested that a simple amendment to the Act could alleviate many of the concerns:

“Notwithstanding any other provision of this Act or the Agreement, for all purposes related to the implementation of this Act and the Agreement, “US Person” and “Specified US Person” shall not include any person who is a Canadian citizen or legal permanent resident who is ordinarily resident in Canada.”

Again I ask, please take the proper time to review what this agreement means to Canadian citizens and how it will affect their lives and the lives of their families and not just to how it will affect financial institutions. **It is vital that the Canadian government recognizes and upholds all the rights of ALL Canadian citizens and residents.**

Sincerely,

Kathryn Atherton