

Standing Committee on
Finance
2014
House of Commons
Parliament of Canada

May 4,

Dear Committee Members:

Please see below the letter that I submitted to Finance Canada regarding the IGA that the ruling Conservatives signed with the United States regarding the planned implementation of the foreign US law "Foreign Account Tax Compliance Act". The Conservative government has put this enabling legislation into Bill C-31 as you know.

I urge the Committee to support a simple amendment to the enabling act that would **make the definition of "US Person" or "Specified US Person" exclude any Canadian citizen or permanent resident who is ordinarily resident in Canada.**

I am a Canadian citizen from birth and I have lived my life in Canada. Yet I am potentially affected by this IGA and FATCA. **Please stand up for all Canadian citizens and residents against this unwarranted and immoral extraterritorial aggression of the United States.**

We are not "Americans living in Canada" - we are Canadians living in Canada with some degree of (often distant) US origin. We live, work, earn income and pay taxes in Canada.

Thank you for your attention to this very important matter.

Yours Sincerely, Andrew Davies

Tax Policy
Branch
Department of
Finance

March 10, 2014

Canada

I wish to voice my strongest objection to the proposed information exchange between Canada and the USA for tax purposes. This agreement allows Canada's sovereignty to be surrendered to the United States by allowing the US to enforce (through the foreign American law "FATCA") their system of citizenship-based taxation. The United States believes that it has the right to tax "US Persons" around the world. There are thousands of innocent hard-working Canadian citizens of (often distant) US origin who live in Canada, earn income in Canada, pay taxes in Canada and have

no economic connection to the US. It is immoral and unjust that these people should be pursued by the United States IRS for taxes and penalties. It essentially amounts to extortion.

It is outrageous that the United States, which prides itself as being the home of “freedom, truth and justice”, would try to exert control over people around the world in this way. No other country, save for Eritrea, acts in such a manner and no other country would be allowed to act this way were it not for the economic clout that the US wields. It is very disappointing that Canada would plan to comply with this American aggression, breaking its own privacy laws in the process (having the CRA be an intermediary in the transfer of confidential account information still amounts to a loss of privacy). It is also a violation of Canada’s Charter of Rights and Freedoms, whereby Canadian citizens of US origin are going to be discriminated against on the basis of national origin.

It is sad that the current Conservative government is planning to betray many loyal Canadians. Compliance with FATCA will result in a weakening of Canada, as Canadian capital will be extracted from Canada and deposited in the US Treasury. The United States’ threat of a 30% withholding penalty on US source income should be tested on the basis of principle in upholding Canadian sovereignty.

I urge Canada to reconsider this planned complicity with the US and either reject the agreement or ensure that it is amended to only apply to residents of the United States with Canadian financial accounts. It is hypocritical for Canada and the United States to claim that this is a reciprocal agreement, as Canada does not practise citizenship-based taxation and the United States is not agreeing to provide financial account information on US residents.

Thank you for your attention to this matter.