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Post Olympics, Brits Even Embrace FATCA

It's hard to whisper [FATCA](#)—shorthand for the Foreign Account Tax Compliance Act—without sparking curse words. U.S. expats hate it since some foreign banks just shut out Americans they see as more trouble than they're worth. See [FATCA Makes Banks Shut Out Americans](#). Financial institutions hate it for the high standards and hassles it causes. See [FATCA Carries Fat Price Tag](#).



Foreign governments hate it for making the IRS more powerful than their own countries' tax agencies. Besides, FATCA won't even make the IRS much money. See [Will IRS Get Fat Off FATCA?](#) But the Obama administration has done a slick job of greasing the wheels of international commerce and quelling what could have been veritable repeal riots. See [5 Nations Join U.S. In Tax Evasion Crackdown](#).

Now FATCA has a new fan base from an unlikely source: the Brits. Sure, there's a post-Olympic glow and international goodwill. Yet it turns out British legislators want their *own* FATCA. See [MPs seek British version of US tax disclosure rules](#). Just like Brits embraced the hamburger, they want a U.S.-style automatic disclosure by foreign banks and tax authorities on U.K. citizens. Why? Cross-border tax evasion.

That means U.K. citizens and U.K. companies will get reported for foreign accounts just like Americans. The Brits even want to drum up

support from **other** European nations to join the FATCA bandwagon. It's too soon to say if British legislators will enact a right-hand drive version of FATCA. But who would have thought it?

FATCA isn't even fully implemented yet. Many think the true test is coming in January 2013. In 2012, most taxpayers with foreign financial assets worth \$50,000 or more must file a [Form 8938](#). See [Summary of Key FACTA Provisions](#). Unlike FBARs, this form is filed **with** your tax return. If you extended your tax return filing to October 15, 2012, it extends the date to file your Form 8938. That gives you a little time to figure this out. See [IRS Form 8938 Or FBAR?](#) and [More On IRS Form 8938 vs. FBAR](#).

Yet this filing is nothing compared to what's facing foreign financial institutions. January 1, 2013 is D-Day for FATCA implementation. See [IRS Plans to Retain January 1 Effective Date for FATCA](#). Foreign institutions have to comply or face serious U.S. actions. Many foreign banks don't want to open new—or even keep existing—accounts for Americans. See [Living Abroad Sounds Idyllic—Until You Consider Taxes](#).

FATCA seems pretty secure now despite resounding critiques. The Wall Street Journal's William McGurn castigates FATCA here: [Obama's IRS Snoops Abroad](#). But as they say, imitation is the sincerest form of flattery.

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