

Australia should NOT comply with the requirements of NATCA, and should instruct Australian banks to NOT provide this information.

The information is privileged. Any United States depositor has an obligation to pay tax on foreign earnings, and that obligation is not strengthened by Australian banks reporting earnings of people who MIGHT be thought to be residents of the United States.

It imposes a cost burden on the Australian banks, imposed to please a foreign government? That is outrageous. There is no offered compensation to offset the reporting cost.

Failure to report, or accidentally misidentifying a depositor, has draconian repercussions for the banks. On one hand, should a bank err by not reporting, it can be held responsible by the United States should the Australian Government endorse this law by instructing Australian banks to comply. Will the Australian government indemnify the Australian banks from penalties if (and when) errors occur?

Should these depositors be Australian citizens, their rights will be grossly prejudiced by this foreign law. There is just no justification for a foreign government to impose such a draconian law on the citizens of another country (in this case, Australia). Australia has a sovereign right to tax its citizens, and providing the citizens have paid appropriate Australian taxes on income or interest earned then they have broken no Australian law, and should be protected to the fullest extent by the Australian government. This sovereign right and obligation is usurped by Australia's endorsement of FATCA.

There appears to be a hidden agenda of the United States in requiring this information, which is to corner depositors in Australian banks which might have a United States presence, and to force them to repatriate those deposits to the United States. A comparison has been made between FATCA and the example of the country of Jamaica in the 1970s. Jamaica passed a law in the late 1970s which required its citizens to report all foreign holdings - bank accounts, real estate, stocks and bonds, and when asked why it wanted this information it replied "Because we just want to know!". Some years later the Jamaican government passed a law that required all Jamaican citizens to sell those assets to their government in return for non-convertible Jamaican currency. At the time, the Jamaican dollar was fixed at US\$1.10. Today it trades at half a cent. Clearly the rights of those citizens of Jamaica were abused by this law since the government took the assets that were located in hard currency countries and sold them, meanwhile acquiring those assets with a fiat currency that was nonconvertible and virtually worthless.

Senator John McCain, a Presidential candidate against Obama six years ago, was interviewed on Meet The Press last year and stated "If there was a way that we could get those foreign depositors to bring their money back to the United States our budget would be balanced overnight". It is clear that FATCA is the precursor to that occurrence, and will likely be executed as Jamaica did around 1980.

Foreign governments, including Australia, should protect its citizens and their interest to the fullest extent. The penalties against depositors who fail to report their foreign bank deposits include a seizure of up to 50% of those deposits. However, these are Australian deposits, yet the United States has the audacity to seize such assets?

Will Australia attempt to implement a reciprocal law which will similarly penalise Australian depositors who have bank accounts in the United States?

Australia should NOT endorse FATCA and should prohibit Australian banks from reporting depositors' information to the United States.