

[Lex Americana](#) [1]

Written by [Tim Ambler](#) [2] | Friday 20 July 2012

Did you know we are all subjects of the USA? It seems that we are. A letter from my stockbrokers this morning advised that I had to complete two forms for the US tax authorities stating that I am British and have no US interests. For the record, I have no US trade or income or investment or any other connection that should rightly be of interest to the US tax authorities but that is not good enough. I have to prove it.

Apparently if I refuse to complete these forms, required under the US Foreign Account Tax Compliance Act, sanctions will be taken out against my stockbrokers who do have American interests.

The less irritating of the two forms simply asks a series of yes/no questions. Some ask for a single yes/no responses to a multiple questions. For example you can only say yes or no in aggregate to ?Are you a US Resident or US Citizen or have dual nationality??. You are not allowed to say yes to one and no to the others. Some are redundant. For example for example, having established ?no? to all the above, it goes on to ask if one holds a US passport. Could someone please tell me how one acquires a US passport without being either a US Resident, or US citizen or having dual nationality.

The more vexatious form is the W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. Part I requires my name and address, no big deal. Part II is more challenging as one is required to certify any or all of five things but only if they apply. How do I know if they apply when I do not even understand what they are. One of them asks if I am ?related? to someone who might pay US tax. I think I have a fourth cousin once removed in Iowa, but I?m not sure of that. This is all under the heading of ?Claim of Tax Treaty Benefits (if applicable)?.

Part III deals with ?Notional Principal Contracts?. I have no idea what they might be and you probably have none either. The small print asks me to certify that I have, or will, provide a statement that identifies ?those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States.? This statement may be a long time coming but luckily there does not seem to be a time limit.

Part IV specifies more certification in print so fine I needed a magnifying glass. The first is to confirm that I am the beneficial owner of ?the income to which this form relates?. What income is that? As I said at the start, I have no US investments or income.

My stockbroker required the two forms signed and dated and a certified copy of my passport, probably just the page with the photograph but it does not say that. A visit to the local solicitor is now called for.

Two final idiocies: I signed and dated in the English form but was then told that the form would be returned if the date was not in US format: MM DD YY. And the bottom line says ?For Paperwork Reduction Act Notice, see separate instructions.?

What asylum is responsible for this nonsense? The UK government cravenly complies with US legal requirements, notably the one-sided implementation of the extradition agreement which was intended for

terrorists but did not bring a single provisional IRA suspect back to the UK. The UK government should make it clear that we are UK subjects and taxpayers and should not be hassled by the US tax authorities.

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