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Topless Kate Middleton? Nothing Compared To Bank Secrecy Laid Bare

What a small and seamless world! When a French photographer named [Valerie Suau](#) (pronounced “sewer” no kidding) snaps a royal’s breasts, wigged British lawyers traipse into French court suing a French magazine. Meanwhile, an Italian one unfolds a 26-page spread of the juicy yet grainy shots. Ms. Middleton, aka the Duchess of Cambridge, enlists riled royals everywhere miffed their privacy is being pillaged.

Being laid bare is not too different from what Brits and Americans alike should fear in financial markets on both sides of the pond. There’s little more revealing than having tax authorities get bank statements and other financial details you *thought* would remain in dank corners. You might get more than goose pimples. See [What To Do If You Get An IRS Summons](#).

What’s the world coming to anyhow? Dickensian bankers of discretion? Dead as doornails, while new age bankers worldwide are more worried about their *own* tax compliance and anti-money-laundering rigors. They may even be whistleblowers who seek personal profit from turning



Kate Middleton (Image credit: AFP/Getty Images via @daylife)

over your name now that Bradley Birkenfeld has broken the \$104 million spell. See [Credit Suisse Account Holders Face Search And Seizure](#).

The UK is the first country to finalize tit for tat tax information sharing with the U.S. That's one small step for tracking offshore tax evasion, one fat leap for [FATCA](#), the Foreign Account Tax Compliance Act. It requires foreign institutions to tell the IRS about Americans with offshore accounts worth more than \$50,000.

UK's Parliament has yet to ratify the info swap deal. However, the writing is on the wall plain as the freckles on Kate Middleton's midriff. Just as Brits embraced the hamburger, they'll have automatic disclosure of information to banking and tax authorities.

And the UK is only the **first** nation to jump on the FATCA bandwagon. Early in 2012, the U.S. and 5 key nations agreed to information sharing deals. See [5 Nations Join U.S. In Tax Evasion Crackdown](#). Financial institutions hate it for the high standards and hassles it causes. See [FATCA Carries Fat Price Tag](#). January 1, 2013 is the D-Day for Foreign institutions to comply with FATCA. That's why many foreign banks are saying they don't want to open new—or even keep existing—accounts for Americans. See [Living Abroad Sounds Idyllic—Until You Consider Taxes](#).

It used to be you could go topless in France, for crying out loud. It also used to be that bank discretion meant something. Better get ready for global transparency, in banking if not in swimming attire. It will certainly be good for tax systems everywhere in the long run, and probably even good for banking in the long run. But short term, some are going to get a nasty sunburn.

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