



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

September 21, 2009

The Honorable Joe Wilson
U.S. House of Representatives
Washington, DC 20515

Dear Representative Wilson:

Thank you for your letter regarding reports of American citizens living abroad being denied access to United States banks. I share your concern about any such reports and recognize the importance of maintaining sufficient access to financial services for all Americans, including those living abroad.

American banking law permits banks to open and hold bank accounts for Americans living abroad. While regulations do exist that require American banks to identify their customers, such requirements do not prohibit American banks from opening and holding accounts for Americans living abroad, and many such Americans do have banks accounts with American banks.

The Administration's budget released in May included proposals to combat the use of offshore accounts and entities by U.S. persons and foreign persons to evade U.S. tax. Among these proposals were measures to strengthen the withholding and reporting rules under which certain foreign financial institutions--qualified intermediaries--operate. Rather than discourage foreign banks from becoming qualified intermediaries or avoiding U.S. customers, the overall effect of the proposals should be to create incentives for more foreign financial institutions to become qualified intermediaries while significantly reducing the opportunity for tax evasion by accountholders in foreign financial institutions.

Thank you again for your attention to this important issue.

Sincerely,

Timothy F. Geithner