

Calling time on the credit card companies

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The New York Times [has reported](#):

The federal government is widening its investigation of offshore tax evasion to include services sold by the [First Data Corporation](#), a large processor of credit card transactions.

As part of the inquiry, the [Internal Revenue Service](#) asked a Federal District Court in Denver on Wednesday to order First Data to turn over account information on scores of merchants that sell or provide offshore services, like financial transactions processing.

The summons, if approved by a federal judge, would compel First Data to identify American clients who, through credit cards, debit cards and other financial processing arrangements, “may have diverted unreported income offshore or received unreported income from undisclosed offshore sources or have taken improper deductions or credits or have failed to withhold tax on certain payments made offshore,” all going back to 2002.

Fantastic!

HMRC take note: do the same now.

Tackling this issue will yield very strong rewards

There is another way to tackle it: demand all credit card payment processing data from airlines and hotels. These are places that require proof of identity when booking. Tie it up with credit cards issued offshore. Find the mismatches and go to work on those Tax Information Exchange Agreements. This is possible.

Let's do it, now.