

If Jersey, Guernsey and the Isle of Man can cooperate w...

Published: January 12, 2026, 10:14 pm

The USA is putting into place the Foreign Account Tax Compliance Act. [As they say of it:](#)

The Foreign Account Tax Compliance Act (FATCA) is an important development in U.S. efforts to improve tax compliance involving foreign financial assets and offshore accounts.

Under FATCA, U.S. taxpayers with specified foreign financial assets that exceed certain thresholds must report those assets to the IRS. This reporting will be made on Form 8938, which taxpayers attach to their federal income tax return, starting this tax filing season.

In addition, FATCA will require foreign financial institutions to report directly to the IRS information about financial accounts held by U.S. taxpayers, or held by foreign entities in which U.S. taxpayers hold a substantial ownership interest.

Let's put it another way: the US wants to know which foreign banks are hiding their taxpayer's funds by forcing those banks to tell the USA about such money. It's an entirely reasonable objective. Tax compliance rates are little more than 50% when people think they can get away with non-reporting as there is no automatic information exchange from the person paying them to their government. It goes up to over 90% when there is automatic information exchange.

Banks the world over are complying with FATCA, forced to do so by their governments, in turn forced to do so by the USA.

Guernsey, Jersey and the Isle of Man are all signing agreements with the USA on FATCA soon.

But rumour now reaches me that the UK is pretty fed up about this. How can, the Treasury asks, the US get information that the UK can't about it's taxpayers who are cheating in these places? Good point. Expect a lot more pressure on the Crown Dependencies for more disclosure to the UK soon.