

US tax implications of Brexit - remembering the world keeps turning and the IRS keeps coming

14 SEPTEMBER 2016

CATEGORY:
[ARTICLE](#)



In the uncertain economic environment post Brexit, US citizens and green card holders living in Britain may have questions regarding how their US tax and reporting obligations may have changed. Will I now be subject to tax in both the US and the UK? Is my UK account now safe from information sharing with the US?

Rest assured that Britain has its own income tax treaty with the United States regarding double taxation. Accordingly, post-Brexit, US citizens and green card holders living in Britain will continue to enjoy largely applicable relief against double taxation (but keep watching out on your retirement accounts!).

Britain directly participates in global information sharing regimes (such as the Foreign Account Tax Compliance Act (FATCA) enacted by the United States and the OECD's Common Reporting Standard (CRS)). Accordingly, the US Department of Justice and the Internal Revenue Service will continue to receive annual reports on British accounts held by US citizens and green card holders. British-based US citizens and green card holders should review their US tax and reporting obligations to make sure that there are no adverse surprises awaiting them once their information is shared with the United States. [Click here](#) for more information on those obligations.

As Brexit does not change the obligation of US citizens and green card holders to report and pay taxes on their worldwide income, to report certain foreign assets and to report their foreign financial accounts annually to the US government on an [EBAR](#), penalties for a misstep remain potentially draconian. For more details about the streamlined program available to help certain US taxpayers living abroad with missteps, please [click here](#).