

FOR IMMEDIATE RELEASE

Association of Accidental Americans files Appeal Challenging the District Court's Dismissal of its Renunciation Fee Lawsuit

February 13, 2023

PARIS – The Association of Accidental Americans, a French non-profit society, together with additional individual plaintiffs, have appealed the judgment of the District Court which dismissed their lawsuit that challenged the U.S. Department of State's imposition of the \$2,350 fee as a precondition to renounce U.S. citizenship. The judge who dismissed the lawsuit is Tanya S. Chutkan. The case no. is 1:20-cv-3573 (D.D.C. February 10, 2023).

Plaintiffs, U.S. citizens residing in Europe and Asia, wish to renounce their U.S. citizenship due to the U.S. government's discriminatory treatment of its citizens residing abroad, especially in the areas of financial privacy and taxation.

However, as a result of the U.S. government's imposition of a unprecedented \$2,350 fee to renounce, thousands of individuals around the globe are unable to do so.

For most America's 200-year history, renunciation of citizenship was free of charge. That changed in 2010, when the U.S. government imposed a \$450 renunciation charge the first time. This charge happened at the same time the U.S. enacted the controversial Foreign Account Tax Compliance Act (FATCA) which has caused thousands of accidental and other Americans living abroad tremendous hardship in conducting their daily financial affairs. Because of FATCA many foreign banks have expelled their American citizen customers and refuse to provide banking services to Americans. In 2015, the government increased the fee from \$450 to \$2,350.

On January 6, 2023, a few days before oral argument was heard, the U.S. Department of State filed with the court a "Notice of Intent to Pursue Rulemaking to Reduce Fee Amount." In the Notice, the government wrote that it intends to reduce the current \$2,350 fee to \$450.

Oral argument was held on January 9, 2023, in Washington, D.C.

On February 10, 2023, the District Court issued its decision, denying plaintiffs' claims. The court ruled that plaintiffs did not have a fundamental right to expatriate and, even if they did, the renunciation fee would satisfy the so-called

“strict scrutiny” test because collecting fees to cover the cost of providing governmental services is a compelling governmental interest narrowly tailored to meet that interest. The District Court also dismissed plaintiffs’ claims under the First and Eighth Amendments, as well as those under the Administrative Procedure Act and Customary International Law.

Strikingly, Judge Chutkan made absolutely no mention of the State Department’s formal notification that it was reducing the renunciation fee by 81% to \$450. This issue was discussed extensively at the hearing on January 9th.

Today, February 13, 2023, AAA has filed a notice of appeal against the decision. AAA intends to challenge all the grounds of the dismissal of their claim. The appeal will be heard before three judges of the United States Court of Appeals for the District of Columbia Circuit.

Statement by Fabien Lehagre, founder and president of the Association of Accidental Americans:

Our fight for the rights of Accidental Americans continues to the appellate level. We are obviously disappointed by the ruling. The court committed several significant and material errors that must be reviewed by the court of appeals.

We have appealed the decision and will raise our arguments before the Court of Appeals. It is our hope that the Court of Appeals will give the right to expatriate the importance it deserves. Our battle has just begun.

The Plaintiffs are being represented by L. Marc Zell and Noam Schreiber of the international law firm, Zell & Associates International Advocates, LLC. www.fandz.com.