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For any American persons permanently living overseas, the requirement to report all bank and financial accounts is extremely burdensome and harmful.

Example 1: Due to this requirement, most Swiss banks refuse to open bank accounts, sell mortgages to, etc. to any US persons. If 99.5% of their customers are not American, why should the financial institution make the investments in IT systems to report to the US. Please note I'm talking about Americans who are living in Switzerland. Replace Switzerland with any other country and it's the same issue.

Example 2: A U.S. person working for a Swiss corporation is offered a promotion as CFO, CEO, Department Head or whatever. OR, a U.S. person is a part-owner in a Swiss corporation and this U.S. person lives and works full time in Switzerland. The corporation has no business dealings with the US. The bank will refuse to open the account for the Swiss corporation due to the American. The Swiss corporation will not offer this job to the American as this brings reporting requirements vis a vis to the US for a foreign entity that otherwise has nothing to do with the U.S. I'm taking about company bank accounts an in cases where the person is an employee of the company and had sole or joint signing authority.

Example 3: A U.S. person living permanently in Switzerland wants to save for retirement. This U.S. person is instructed to use the Swiss deferred taxed accounts (similar to a U.S. IRA) for this purpose. The U.S. person is now allowed to make this investment.

Example 4: A U.S. person living in the EU wants to invest in a simple mutual fund. The EU financial institution will not sell the US person a fund that is designed for EU residents as it does not adhere to US rules. The same US person then tries to buy a similar fund in the US from a US financial institution and is also rejected as this fund does not follow EU rules. The US citizen living in the EU is therefore not allowed to make these investments.