



LET'S TALK ABOUT...

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Taxation and bank secrecy

Under the increasing pressures of several international and foreign institutions – the European Union, OECD, G20, US Administration,... Switzerland has progressively relaxed its banking secrecy, while supplying international assistance and cooperation in wider forms in cases of just tax applications and procedures, so drastically inverting its previous attitude. The poor conditions of many public balance sheets, after the deep financial and economic crisis, have made such pressures stronger and stronger, sometimes even arrogant in their tones. The nature of the requests submitted to the Swiss authorities has changed, in that they have become less and less detailed, documented and motivated. If in the past it was necessary to mention all the data of the supposed “guilty” person, personal names and references, place of residence, Swiss bank in which the assets were to be searched for, account number, according to well defined checks and documents, such required evidences have been progressively reduced, so that the procedures have become more and more like those “fishing expeditions” that Swiss authorities have always declared – and still declare – as unacceptable, being they applications just based on scarce, weak and undefined elements, which aim at checking the presence of assets held abroad by one or more persons, through wide and generic searches. Actually some procedures, particularly the ones carried on by the US tax administration, have all the features of “fishing expeditions” indeed, although not officially recognized and admitted. Thus, even if the banking secrecy formally survives, and its principle and implementation is still protected by the Swiss Penal Code, when even personal data taken from banks in criminal actions, such as lists, disks and so on, then offered to public receivers – e.g. foreign tax administrations – are used in tax investigations, some doubts arise about the real wish to comply and to defend such principle in practice. Other issues have added to the question about bank secrecy and international taxation, behind its progressive loosening after the acceptance of the OECD protocols, such as the Eurotax agreement and, more recently, the Rubik pattern which has been accepted by the United Kingdom and Germany, with more doubts and reservations by other countries, first of all Italy, due to reasons which will be discussed in our next article. - *GLT*

The views expressed are not necessarily those of the Swiss Association of Asset Managers