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## ***Observations by an Outsider: „Tax War(s)“ against Switzerland?***

by

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# State Competition

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## 1. Race to the Top

- the simple and short answer: „YES“..!
- harmonization not unification
- observation by EU Ambassador Dr. *Michael Reiterer*

## 2. Race to the Bottom

- pressure from abroad
- fair advantages v. unfair advantages

# Switzerland and Sweden

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## 1. Nations on Friendly Terms

- so-called „*neighbours in mind*“...
- tradition of *business partnerships* (e.g. ABB, Nobel Biocare)
- *double taxation treaties* (1966 and 1985)

## 2. Observations

- renegotiation(s) of double taxation treaties
- *no „Tax War“* whatsoever...

# Switzerland and the USA

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## 1. Nations on Semi-Friendly Terms

- some may call it „*bullying*“...
- the Swiss FINMA „opened the floodgates“ in 2009
- it is not the „end“ but the „end of the beginning“..!

## 2. Observations

- the *financial crisis of 2008/09* has nothing to do with „tax havens“
- treatment of Switzerland was and is not always fair...

# Switzerland and the OECD

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## 1. OECD and its Model Tax Convention

- Switzerland made *reservations*...
- ... and on *March 13, 2009*, everything changed..!
- traditional „Swiss finishes“: (i) tax fraud and (ii) tax evasion

## 2. Observations

- „black listing“ (or: „grey listing“) = „blackmailing“
- threats by OECD were unacceptable but *result is ok...*

# Switzerland and the European Union

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## 1. Close Ties

- Switzerland as „*passiv member*“ of the EU...
- *adjusting Swiss laws* – by formal or by informal means
- so-called *automatic information exchange* (in tax matters)

## 2. Observations

- no „Tax War(s)“ likely – another quote by EU Ambassador Reiterer
- recommendation: „Just say No“..!

# Other „War Zones“

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## 1. Recent (unlucky) Developments

- examples: *France* and *Germany*
- some states seem willing *to buy stolen* banking data...
- possible *reactions* by Switzerland?

## 2. Observations

- potential of „guerrilla warfare“
- *temporary freezing of negotiations* on double taxation treaties..!



# Switzerland and the Swiss

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## 1. Trust is the Foundation

- old tradition in Switzerland: *tax evasion is not tax fraud...*
- Swiss Government: no change needed, necessary or planned!
- obsolete distinction? „No“, „Yes“, „Maybe“, „Who knows“

## 2. Observations

- political credo: „Who cares what I said yesterday“?
- *no „Civil War“ to be expected...*

# Final Observations

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- *The „Swiss bashing“ from abroad is not as bad as we are tempted to think – yes, we are still liked very much..!*
- *There are no „Tax (or other) Wars“ against Switzerland; but we should carefully observe the developments and try to intervene (e.g. regarding the OECD and tax crimes/money laundering).*
- *In any case, Switzerland and some Swiss need more self-confidence – and show it, too...*
- *Request and proposals from abroad: to be accepted (e.g. the OECD-standard) or to be rejected (e.g. the EU automatic information exchange in tax matters)!*

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**Bye...  
and Thanks for your Attention..!**

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