



Association de
Banques Privées Suisses
Vereinigung
Schweizerischer Privatbanken
Association of Swiss Private Banks

Automatic exchange of information: Yes, after a final verification!

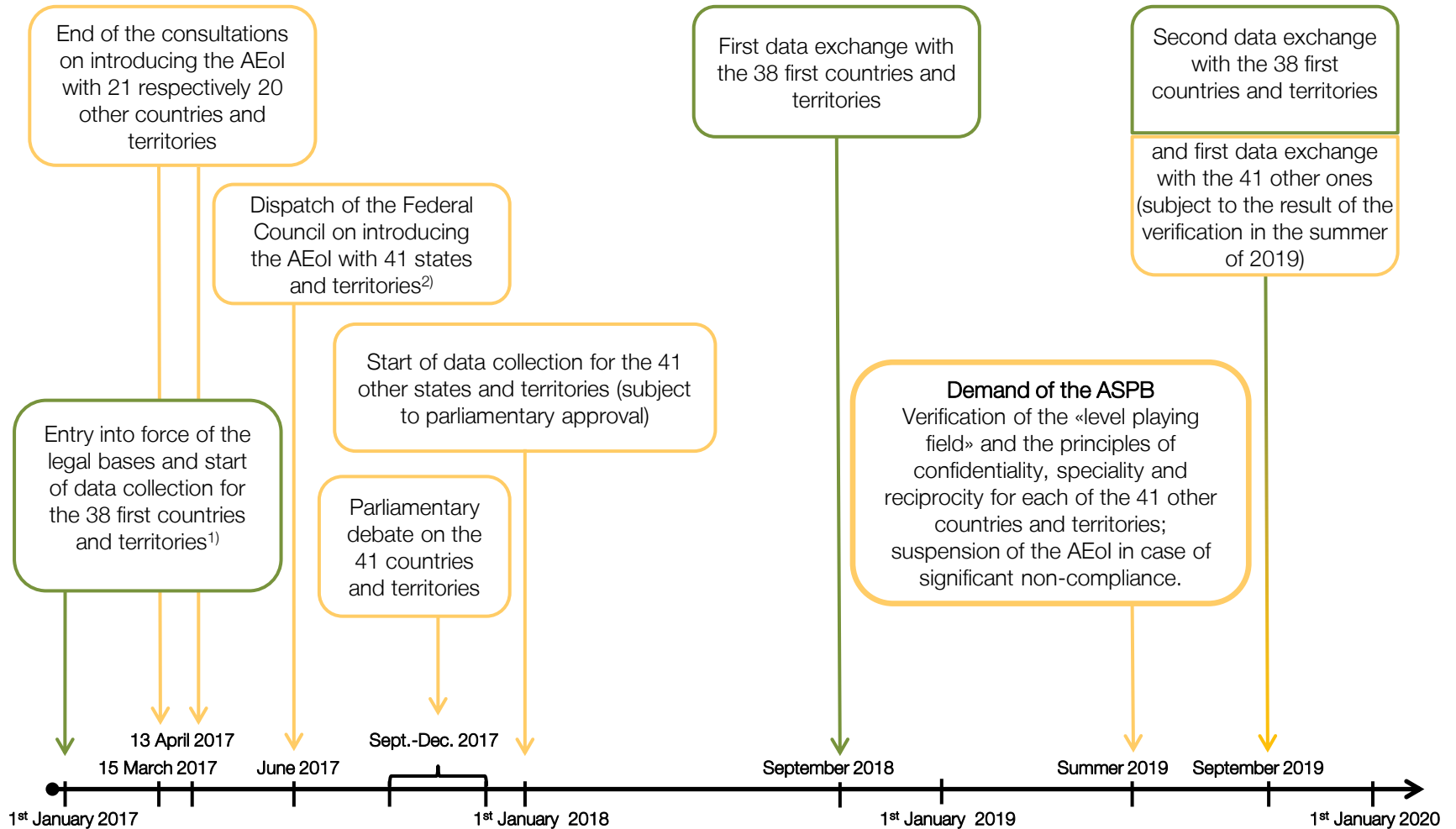
Since 1 January 2017, banks have been collecting tax information for 38 countries. The government proposes to add another 41 next year, in keeping with Switzerland's commitments. However, the authorisation to be issued by Parliament does not exempt the government from verifying the existence of a level playing field and data confidentiality before information is exchanged in September 2019.

Switzerland already appears to be moving faster than others by publicly announcing plans to implement the automatic exchange of information (AEOI) with at least 79 states or territories, possibly even 83, if one includes Singapore, Hong Kong, Panama and the Bahamas, with whom agreements may be signed in 2017. In reality, Switzerland is lagging behind the schedule set by the OECD and G20. If other states honour their commitments, they will exchange information already in 2018 with at least as many partners as envisaged by Switzerland. Due to the Swiss parliamentary process, Switzerland will only begin exchanging information with some states a year later, in 2019 (see graph).

The ASPB does not oppose the adoption of the AEOI with these 41 countries but would like further verifications to be carried out before beginning to exchange with each of them. A global standard against tax evasion will work only if all international financial centres apply it effectively. Before information is sent to a given country for the first time in September 2019, the ASPB wishes the Swiss government to ensure that it is not going it alone, and that its main competitors are also exchanging information with that country. In this context, all possible means must be brought to bear on the US, whose FATCA law is significantly less reciprocal than the OECD standard.

Another point of concern for the ASPB is data confidentiality, especially in Latin America, Russia and Asia. This does not concern taxation, but clients' physical safety, given the risk of corruption and political manipulation in their home countries. Data confidentiality should therefore be verified one last time before sending data abroad, even if this means delaying the AEOI where confidentiality cannot be guaranteed. When considering the Federal decrees submitted for its approval, Parliament should request that the government carry out a thorough verification.

Calendar for the AEoI in Switzerland



¹⁾ Australia, Canada, Gibraltar, Guernsey, Isle of Man, Iceland, Japan, Jersey, Norway, South Korea and the 28 member states of the European Union

²⁾ Andorra, Antigua and Barbuda, Argentina, Aruba, Barbados, Belize, Bermuda, Brazil, British Virgin Islands, Cayman Islands, Chile, China, Colombia, Cook Islands, Costa Rica, Curaçao, Faroe Islands, Greenland, Grenada, India, Indonesia, Israel, Liechtenstein, Malaysia, Marshall Islands, Mauritius, Mexico, Monaco, Montserrat, New Zealand, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, San Marino, Saudi Arabia, Seychelles, South Africa, Turks and Caicos Islands, United Arab Emirates, Uruguay