SwissBanking

- **Swiss bank-client confidentiality remains safeguarded**
- **Swiss Bankers Association supports adoption of OECD standards**
- **Streamlining of administrative assistance in Switzerland**

Basel, 13 March 2009: Swiss banks are aware of the responsibility they bear for the common weal of Switzerland. The Swiss banking sector has therefore long been considering various possible solutions that take into account the international community's fiscal goals while at the same time respect privacy. The Swiss Bankers Association (SBA) has been working closely with the Swiss government and authorities to find possible solutions. The SBA welcomes today's offer by the Swiss government to negotiate with a view to extending administrative assistance to cover all tax offences. Today's offer is in line with the above-mentioned goals.

By taking over the global standards set by the OECD's Model Tax Convention (in particular Article 26 which covers the exchange of information), administrative assistance will continue to be governed by specific and clearly-defined conditions. The privacy of foreign clients not under suspicion will continue to be protected by Swiss bank-client confidentiality. An automatic exchange of information is excluded.

The OECD's Model Tax Convention is the worldwide standard for double taxation agreements. The SBA now expects an end to all improper international criticism of Switzerland and its legal system and also an end to threats to put Switzerland on a so-called "black list". In order to protect the competitiveness of the Swiss financial centre the SBA expects the G20 to now turn its critical gaze away from non-members and focus on jurisdictions belonging to its own member states. To promote a level playing field all territories and jurisdictions linked to G20 members should implement corresponding measures quickly and comprehensively.

Switzerland is an independent sovereign state governed by the rule of law. As such it expects the international community to show respect for its laws. In future, therefore, unilateral coercive measures should be specifically ruled out by corresponding provisions in relevant treaties and agreements (principle of exclusivity). It is also commonly-accepted international practice for re-negotiated double taxation treaties not to be backdated in their application. This is of great importance to banks in their role as guardians of their clients' financial interests.

Switzerland must streamline procedures in order that requests for administrative assistance can be dealt with more efficiently in the future. However, the right of clients involved in any case to lodge an appeal must be kept intact.

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