UK Swiss tax agreement

Action required by UK resident Swiss bank account holders

On 24 August 2011, the UK and Swiss governments reached an agreement to tax Swiss bank accounts. The agreement was signed on 6 October 2011 and comes into force on 1 January 2013 pending ratification. If you're UK resident and have bankable assets in Switzerland, whether you're UK tax compliant or not, you're affected.

This ground-breaking deal means that as a UK resident a one-off levy of between 21% and 41% will be applied on 31 May 2013 to Swiss bankable assets held at 31 December 2010. Withholding tax (of 48% on interest, 40% on dividends and 27% on capital gains) will be also be applied from 2013. A separate withholding tax of 40% of the assets will be deducted on death in lieu of inheritance tax unless full disclosure of the assets is made to HMRC. There will also be greater exchange of information between the two countries in future, with the UK tax authorities allowed to request Swiss bank account details of up to 500 UK residents each year.

How we can help

We can help you understand exactly what the UK/Swiss Agreement means so that you can understand what options are available and identify your best course of action.

A UK resident (which includes UK passport holders or those with principal private address in UK but not those certified as resident somewhere other than UK) who is identified as a beneficial owner by the Swiss paying agent of Swiss bankable assets (which include, for example, bank accounts and insurance wrappers but not safety deposit boxes and real estate) has the following options:

Option 1	Accept one-off levy payable on 31 May 2013 of between 21% and 41% of account balances at 31 December 2010 and pay withholding tax from 1 January 2013. Maintains confidentiality and may wholly or partially clear past tax issue
Option 2	Move funds out of Switzerland. HM Revenue & Customs (HMRC) to get details of top 10 countries to which money moves from Switzerland. Moving money to avoid dealing with unpaid UK tax liabilities is not recommended.
Option 3a	Allow bank to give HMRC your details and avoid one-off levy and future withholding tax. Ensure future tax returns include income, dividends and gains from Swiss assets.
Option 3b	Allow bank to give HMRC your details and avoid one-off levy and future withholding tax. If previously non-compliant, approach HMRC to make disclosure. Beware lack of non prosecution guarantee, HMRC's ability to go back 20 years and high penalties.
Option 3c	Allow bank to give HMRC your details and avoid one-off levy and future withholding tax. If previously non-compliant, make disclosure to HMRC using the Liechtenstein Disclosure Facility (LDF). Under LDF benefit from non prosecution guarantee, look back to 6 April 1999 only and lower penalties.
Option 4 Only available to certified non-doms with remittance basis claim	Opt out of the one-off levy. Declaration of intent to claim remittance basis required by 31 March preceding tax year required. Non-dom certification required annually by lawyer, accountant or tax adviser who is a member of relevant professional body.
Option 5 Only available to certified non-doms with remittance basis claim	Self assess unpaid liability on taxable remittances and UK source income. Assess unpaid tax at a fixed rate of 34% on undeclared remittances and UK source income post 31 December 2002. Non-dom certification required annually by lawyer, accountant or tax adviser who is a member of relevant professional body.

For more information contact PwC's experts for a free, confidential and no obligation meeting in the UK or Switzerland.

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Experience

Our team of former senior HMRC inspectors and private client tax specialists have already helped a large number of people understand the UK Swiss Agreement, the LDF and, where appropriate, voluntarily disclose unpaid UK tax liabilities to HMRC.

Technical excellence

Our experts can answer your questions about the UK Swiss Agreement and the LDF. If appropriate, we can help you make a tax disclosure and handle related work such as tax return completion and inheritance tax and other tax planning.

Confidentiality

You can discuss your issues with us in confidence without any obligation. In February 2006, money laundering reporting obligations for UK tax advisers were revised to give professional privilege to UK accountants, auditors or tax advisers who are a member of a UK professional tax or accounting body. This enables fully confidential discussions to take place either in the UK or overseas.

Value for money

We offer competitive and flexible fee arrangements, including capped fee quotes.

Accessibility

Please feel free to contact any of our named team members or call us any time on our *24 hour helpline +44 (0)800 328 8215*.

We can arrange to see you for a confidential, no obligation discussion at short notice at our principal office at 1 Embankment Place, London, WC2N 6RH or any of our other offices across the UK and Switzerland, including our new city centre meeting facilities at 4th Floor, Bahnhofstrasse 100, Zurich.

For more information

Visit our website at www.tax-investigations.com and watch our webcasts about the UK Swiss Agreement and the Liechtenstein Disclosure Facility.

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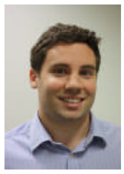

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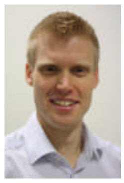

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