

NARRATIVE REPORT ON SWITZERLAND



PART 1: TELLING THE STORY

Introduction and Overview

Switzerland is ranked in first position in the 2015 Financial Secrecy Index, based on a high secrecy score of 73 and a large global scale weight for the size of offshore financial services, at around five percent of the world total. Its secrecy score has improved somewhat since the 2013 Financial Secrecy Index, largely because of Switzerland's decision to participate in emerging global transparency initiatives¹. Yet its famed banking secrecy laws remain firmly in place, though with some exceptions permitted for some countries to obtain necessary information.

Switzerland is the grandfather of the world's tax havens, one of the world's biggest financial centres, and one of the world's biggest secrecy jurisdictions or tax havens. In September 2015 the Swiss Bankers' Association [reported](#) that banks in Switzerland held CHF 6.65 trillion (\$6.5 trillion) in assets under management, of which it said 51 percent originated from abroad: this made Switzerland the world's leader in global cross-border asset management, with a 28 percent share of the market. In terms of the narrower wealth management sector, Deloitte estimated that Switzerland was [also the world leader](#) with US\$2.04 trillion in assets under management in 2014, compared to the \$1.65 trillion and \$1.43 trillion for the UK and US respectively. Of this, over half was from Europe².

Yet the Swiss financial centre is still larger than this, providing a wide range of services including investment banking, insurance and reinsurance, hedge funds and [private equity](#), corporate tax avoidance structures, offshore companies and trust administration, and plenty more. KPMG [called it](#) the 'perfect headquarter location for international companies' because of its tax laws, political stability, quality of life, educated workforce, extensive network of tax treaties, and strategic position in Europe³. Swiss financial centres in French-speaking Geneva, German-speaking Zurich and St. Gallen; and Italian-speaking Lugano (and elsewhere) cater to different global constituencies, each offering a range of banking and offshore facilities.

Financial services make up over 10 percent of GDP, according to [OECD data](#): more than twice the European Union average, and total banking assets were [estimated](#) in 2012 at 460 percent of Swiss GDP, one of the highest in the world. Banking looms especially large in the Swiss economy: more so than in almost any other major country. Given this dominance, with UBS and Credit Suisse accounting for about half of all Swiss banking assets, it is hardly surprising to find a strong 'financial consensus' that curbs domestic criticism of the financial centre: Switzerland is similar in this respect to many offshore financial centres.

Rank: 1

Chart 1 - How Secretive?

73
Secrecy Score

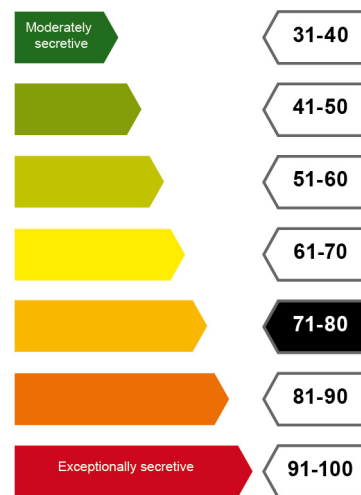
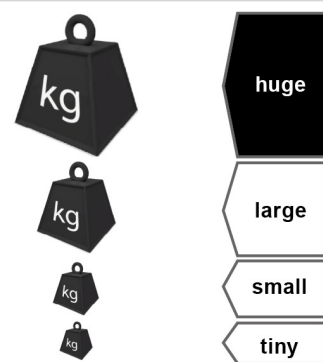


Chart 2 - How Big?



Switzerland accounts for slightly over 5.6 per cent of the global market for offshore financial services, making it a huge player compared with other secrecy jurisdictions.

The ranking is based on a combination of its secrecy score and scale weighting.

- Read more
 → [Full data](#)
 → [Switzerland on TJN Blog](#)
 → [Full Methodology](#)

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Switzerland has made important improvements to its secrecy regime in recent years, following concerted pressure on it from the United States, the European Union and others, and it appears significantly more open to international co-operation. A recent sea change in political attitudes towards offshore secrecy has been evident: ten years ago one might have described a solid consensus behind the banking secrecy complex, with only a radical minority opposing it. Now banking secrecy is far more contested, with growing opposition in parliament, the media, the courts and among the general population. Yet Switzerland still has a long way to go. The concessions it has made so far – usually in response to pressure against Swiss banks, rather than against Switzerland itself – can to some degree be summarised as what civil society groups Alliance Sud and Berne Declaration [call a “Zebra strategy”](#): white money for rich and powerful countries; black money for vulnerable and developing countries. These and other factors, along with ongoing aggressive pursuit of financial sector whistleblowers (resorting at times to [what appear to be non-legal methods](#)) are reminders why Switzerland remains the world’s single most important secrecy jurisdiction today.

The history of Switzerland as a secrecy jurisdiction

Early beginnings

Swiss banking secrecy has old and deep roots, which is historically based on three main foundations: **first**, Switzerland’s famed tradition of banking secrecy; **second**, its political stability, underpinned by Switzerland’s tradition of neutrality and its powerful system of direct democracy, and **third**, a ‘financial consensus’ strongly rooted in Swiss society which has generally protected the offshore financial services centre against any major political challenges.

In 1713, long before Switzerland existed as a federal state, the Great Council of Geneva [adopted](#) regulations prohibiting bankers, who were already harbouring substantial sums from European nobles, from revealing details about their clients. Catholic French kings, among

the earliest known clients of Geneva banks, enjoyed these banks’ traditions of secrecy partly because they did not want to be seen to be dealing with ‘heretical’ Protestant bankers. A centuries-old tradition of ‘unlimited liability’ – where partners were personally liable for bank losses – further bolstered their reputation for solidity.

Wars and neutrality: the bedrock of Swiss banking

Switzerland’s reputation for safety, helping attract ‘safe haven’ financial flows from the nobility in a turbulent Europe, was bolstered when Swiss neutrality was formalised at the [Congress of Vienna](#) in 1815.⁴ Neutrality was a matter of self-preservation. Switzerland’s mountainous terrain meant that the territories that make up today’s Switzerland were deeply divided between often isolated valley communities: this evolved into sharp divisions between its French, German and Italian (and a small number of Romansh) speakers. Any taking of sides in a European war would have risked civil war in Switzerland – and matters were exacerbated by religious and other divisions: Indeed, the creation of Switzerland as a Federal republic in 1848 was a direct consequence of a 27-day civil war which had pitted conservative Roman Catholics against liberal Protestant cantons.

The ongoing potential for internal conflict led the Swiss to develop a complex, intricate form of direct democracy, based on a large degree of autonomy for local units, which serves as a highly effective mechanism for resolving and dissolving conflict. As the historian [Jonathan Steinberg](#) put it, Swiss communities are

“bottom-heavy, rather like those dolls which spring up no matter how often the child pushes them over. The weight is at the base. The communities have a deep equilibrium, to which, as the point of rest, the social and political order tends to return.”

In the words of Swiss scholar Sébastien Guex, Swiss élites in the 19th Century jealously watched other European countries building empires,

and without a corridor to the sea to allow them even to contemplate such adventures, began to see an alternative in creating a financial empire that would deal with the wealthiest and most powerful dynasties as equals⁵. The Swiss found that trade and living standards were never as good as they had been during the Thirty Years War of 1618-48, one of the most destructive in Europe's history: that, as Steinberg put it, was when "the Swiss began to associate neutrality with profit, virtue and good sense." The Franco-Prussian War of 1870-1 saw another surge of money into Switzerland. As Guex put it (p55):

"This is what the Swiss bourgeoisie are thinking. 'That's our future. We will play on the contradictions between the European powers and, protected by the shield of our neutrality, our arm will be industry and finance.'"

Secrecy continued to fuel the sector: Guex describes a major Swiss bank openly advertising its 'utmost discretion' in France in 1910; soon afterwards a Swiss economy minister had to press Swiss banks to tone down such messages overseas for fear of retaliation by angry foreign tax authorities.

The First World War created the biggest ever cascade of money into Swiss banks. But this wasn't only about Switzerland's safe-haven status. Tax was also a big part of it. As governments hiked taxes to pay for their respective war efforts, many wealthy Europeans escaped their share of the war effort and took their money away to Switzerland: the French preferring French-speaking Geneva, the Germans went to German-speaking Zürich, Basel, and St. Gallen; and the Italians Lugano in the southern Italian-speaking Swiss canton of Ticino. Meanwhile, commercial interests in warring countries also used Switzerland as a turntable where they could keep doing business with the enemy, in secret.

As this was happening, Swiss bankers continued to spread their net steadily wider, pushing their wares steadily downmarket beyond the aristocracies. Meanwhile the spread of technology and globalisation was making capital more mobile, and significant quantities began

to come from beyond Europe. Switzerland's role as a top global financial centre was further underpinned by a decision to site the headquarters of the Bank for International Settlements in Basel in 1930.

Switzerland enacted its famous banking secrecy laws in 1934, entrenching *de facto* banking secrecy by making it a criminal offence to divulge information. A widespread and false myth has emerged that this was done to protect German Jewish money from the Nazis; in fact, Swiss politicians enacted the law for far less altruistic reasons, as the box explains.

Box 1: The myth of 1934

Before the banking secrecy law of 1934, there was professional confidentiality (such as exists between doctors and their patients), and violation of it was a civil offence, not a criminal one as it is today. Many defenders of Swiss bank secrecy assert that the law was put in place to protect German Jewish money from the Nazis. This is quite false: this story seems to have first appeared in the November 1966 *Bulletin of the Schweizerische Kreditanstalt* (which became today's Credit Suisse), and has since been widely propagated. The first drafts of the law to criminalise the breaking of banking secrecy were created soon after the onset of the Great Depression, as a way of defending the sector from popular anger about bankers. But in October 1932 caught the Basler Handelsbank red-handed facilitating tax evasion by members of French high society, among them two bishops, several generals, and the owners of *Le Figaro* and *Le Matin* newspapers. It was this scandal that created the pressure for the law to be enacted promptly. (For more on this see Sébastien Guex, [The Origins of the Swiss Banking Secrecy Law](#), 2000.)

In the Second World War yet another surge of wealth into neutral safe-haven Switzerland created yet another step-change in the growth of Swiss banking.

Despite Switzerland's neutrality and a fairly widespread antipathy among the wider Swiss population towards Nazi Germany, Swiss

bankers [collaborated heavily](#) with Hitler and his regime. Switzerland also supplied the Nazis with electricity and supplies – not to mention financial credit – and facilitated the delivery of strategic equipment. Swiss bankers stashed the proceeds of Nazi loot without question, including gold ingots made from the dental fillings of murdered Jews. They then helped fleeing Nazis hide their loot *after* the end of the War – and as if that were not bad enough, they made it extremely for the family members of murdered Jews and other victims of the Nazis to get their money back (see box). Recent [reports suggest](#) that Hitler himself had 1.1 billion Reichsmarks on deposit in Switzerland (and he refused to pay taxes, before passing a law that made him exempt.)

It was only after extreme pressure from the U.S. much later, in the 1990s, that Switzerland grudgingly handed over at least some of the money.

Box 2: Estelle Sapir, Swiss bankers and Nazi gold

In 1999 the *New York Times* wrote [an obituary](#) of Estelle Sapir, a Holocaust survivor who had been the lead plaintiff in a class-action lawsuit involving thousands of Holocaust survivors who sought to recover deposits made by their families in Swiss banks. Before the war her father Jozef, a Jewish businessman from Poland, had deposited money in several banks. In the war she was sent to a Nazi concentration camp but was able to speak to her father beforehand, through barbed wire in a detention camp. He told her that she had to survive and that there was money in the bank: then drilling her repeatedly on the names of the banks where he had spread out his assets. The NYT explains what happened after the war:

“After the war, during which Miss Sapir worked for the French underground, she visited a number of banks in England and France where her father had told her he had left part of his money. The bank accounts were turned over to her without question, she said. But the Geneva branch of Credit Suisse, saw things differently.

When Miss Sapir asked to collect the money in 1946, the bank manager demanded that she provide her father’s death certificate and records of his deposits. Miss Sapir said that her father’s financial records had been lost in the chaos of the war and that there was no death certificate. Credit Suisse persisted in its demands for documentation.”

The class action suit that she led generated immense media coverage and Credit Suisse settled the case in 1998.

The modern age: Switzerland circles the wagons as transparency pressures grow

After the Second World War, a number of foreign countries have made several attempts to penetrate Swiss banking secrecy. Until the late 2000s, these attempts largely failed.

Typically, Switzerland's response was to play divide and rule; and to delay and obfuscate for as long as possible until periods of maximum leverage were available, at which point Switzerland would sign long-term treaties or deals solidifying minimal concessions as a cover for (largely) business as usual. Immediately after the War, for example, amid negotiations with the Allies over Swiss reparations and the identification of secret Nazi loot, Switzerland granted large loans to war-shattered UK and France. The Swiss ambassador in London [described](#) the purpose of the British loan as being to "ensure the indulgence of the English (sic) government" in the negotiations. The loans [appear to have](#) significantly blunted the Allies' demands.

The years and decades after the Second World War passed, with foreign governments achieving almost no success in penetrating Swiss banking secrecy, despite the widespread and well-known criminality and abuses it was facilitating, around the world.

Pressure from the United States: a partial breakthrough

Switzerland only really began to make any significant concessions on banking secrecy in 2008 when the United States began actively to investigate and prosecute senior Swiss bankers, launching high-profile criminal cases against UBS, Credit Suisse and other banks (see pp14-15 [here](#)). With its bankers caught *in flagrante* helping wealthy Americans evade tax, and under tremendous pressure from the global financial crisis, UBS eventually reached a Deferred Prosecution Agreement with the U.S. Department of Justice in February 2009 – yet even then, it had to persuade the Swiss government to undergo unusual domestic legal contortions to allow it to infringe banking secrecy and hand over data under the deal.

In August 2009 Switzerland agreed to hand over data on more than 4,000 UBS clients, an unprecedented leak.

By August 2013, following four years of continued pressure from the U.S. Justice Department (which, among other things, led to the collapse of long-established and high-profile Wegelin Bank), Switzerland [agreed to](#) unprecedented further concessions from the U.S., in which eligible banks would pay penalties worth up to 50 percent of the hidden U.S. assets, and disclose account information about U.S. customers, to avoid prosecution. [Fourteen Swiss banks](#) including Credit Suisse were excluded because they were already under criminal investigation. Switzerland in February 2013 also [signed](#) the U.S. Foreign Account Tax Compliance Act (FATCA: see our [USA narrative report](#)). The FATCA agreement – signed by 73 jurisdictions as of June 2015 – requires financial institutions to disclose information on U.S. accounts to the U.S. IRS on an ongoing, automatic basis.

It is worth noting two things about the U.S.' penetration of Swiss banking secrecy. First, this did not mean that Swiss banking secrecy was finished, as some excitable news reports have suggested. The breach in secrecy was *only* directed towards the United States, leaving many other countries vulnerable to Swiss secret banking; and it was not a total breach either. Second, a key lesson from this episode, highlighting a much older pattern, is that external pressure on Swiss secrecy has generally succeeded only when it is targeted against Swiss *banks*, rather than against Switzerland itself. The Swiss population have long cultivated a self-image of a small, plucky Alpine nation standing up proudly to big external bullies, and attacks on the Swiss nation have tended to cause the Swiss to close ranks in support of the banking sector, even among those who normally oppose banking secrecy.

Wider transparency pressures intrude

Since the global financial crisis that erupted in 2008 new pressures have emerged for transparency, from citizens and governments around the world to find new sources of revenue,

and to crack down on financial malfeasance. This has come amid a period of soul-searching in Switzerland about secret banking, prompted significantly by the U.S. saga (see above) but more generally a growing tide of criticism of Switzerland.

This has also been accompanied by meaningful political changes. The appointment of [Eveline Widmer-Schlumpf](#) as Finance Minister in 2010 (and then as Swiss President during 2012) marked a significant political change in the politics of banking secrecy, with increased openness to international initiatives and a less defensive posture than before. At the same time, the previously hardline and influential Swiss Bankers' Association has become weakened by division and an apparent lack of a clear strategy.

These changes provided an important backdrop to Switzerland's responses to the external pressures, which have come from two main areas beyond the United States.

Europe has been one source of pressure for transparency. Switzerland has for years participated in the European Union Savings Tax Directive (EUSTD), a mechanism of automatic information exchange for 43 European Union and associated countries. However, the scope of the original Directive was extremely narrow (limited to reporting on bank interest only) and it was full of loopholes. What is more, Switzerland fought hard and aggressively against European efforts to create a new, amended EUSTD with the main loopholes plugged. It aggressively sought to play divide and rule within Europe by seeking to sign [bilateral special tax deals](#) with Germany, the United Kingdom and Austria, seeking to lure their governments amid strong economic stresses during the global financial and economic crisis, with the promise of money from untaxed accounts. The main aim was to sap Germany's political commitment to the amended Directive. The deals were riddled with loopholes and heavily criticised at the time, and for these reasons Germany refused to sign them. Switzerland also in 2013 finally signed the OECD / Council of Europe Multilateral Agreement on Administrative Assistance in Tax

Matters, another key transparency tool. Yet even then, Switzerland has sought to weaken its impact with a range of 'reservations'.⁶

“‘Finance’, in the current era, is not just a sector of the economy; it is at the core of a new social settlement in which the fabric of our society and economy has been reworked.”

Nevertheless, as the European transparency amendments were coming in, they were overtaken by a new global initiative to foster automatic information exchange of financial account information: the OECD's [Common Reporting Standard \(CRS\)](#). This is a relatively powerful and comprehensive cross-border transparency arrangement. Switzerland has signed the multilateral agreement for the CRS and by July 2015 was only one of 27 jurisdictions having committed itself to implementing the provisions by 2018.

This is a positive step – but there are large provisos. Countries have the option to choose which partners they exchange information with: and as mentioned Switzerland has chosen the [“zebra” strategy](#): ‘white’ money for rich and powerful countries, but ‘black money’ for weaker and more vulnerable developing countries.⁷ This [was confirmed](#) by Swiss banking whistleblower and UBS insider Stéphanie Gibaud:

“When the US case against UBS emerged in 2009, Switzerland anticipated that European and US regulators would move against these banks so, by 2009-10, UBS started to focus its business on the BRICS, trying to penetrate networks of potential clients in developing markets. . . other Swiss banks probably did likewise.”

Reinforcing this, in October 2014 the Swiss

government [announced](#) that negotiations on the CRS would be initiated only with “selected countries” and would be restricted „to countries with which there are close economic and political ties and which, if appropriate, provide their taxpayers with sufficient scope for regularisation.“ This is meant to exclude developing countries and various other jurisdictions. (In a June 2015 [dispatch](#) on the related new law, the Swiss government reaffirmed this exclusion.)

What is more, Swiss banks have taken aggressive steps to protect Swiss secrecy in other areas. Most striking perhaps is the case of the Julius Baer bank whistleblower Rudolf Elmer, who has been imprisoned and pursued by Swiss courts for a decade after blowing the whistle on massive tax-evasion and criminal activity facilitated out of the Cayman Islands. Elmer has been able to [demonstrate comprehensively](#) that some Swiss courts involved in the case acted outside the law on several occasions, in an apparently vindictive pursuit.

After Nazi gold: Freeports, Fifa, HSBC – and other scandals

A wide range of secrecy-related scandals still continues to plague the sector. For example, there has been widespread concern that freeports in Switzerland are increasingly being used for getting around transparency requirements and fostering criminality: a fact underlined by [news](#) in 2015 that the Geneva businessman behind them had been arrested in Monaco for defrauding investors. An [investigation in 2014](#) by the French media group Médiapart reported:

“The Geneva free port is potentially a large laundry machine,” says one connoisseur of these places. “Most of the time, inventory controls are announced in advance by letter and the premises are not immediately sealed. If you have something to hide, you can always arrange to store it with a neighbor” he explains. “There is often too much cosiness between warehousemen and customs officials: they lunch together, build friendships

... It seems that some customs officials do not want to hinder trade.”

Given the size of the freeport – in the words of Nicholas Brett, an insurer, talking about the value of artwork held there “I doubt you’ve got a piece of paper wide enough to write down all the zeros” – this alone makes Switzerland a jurisdiction of major and ongoing concern for money laundering and tax evasion.

An explosion of [corruption revelations](#) in 2015 about Zurich-headquartered Fifa, the world football federation, further tarnished Switzerland’s reputation as a haven for criminality. This was followed soon afterwards by the “HSBC scandal,” when [exposés published in major newspapers](#) worldwide forced Swiss police to raid the Geneva-based private banking subsidiary of the global bank for “suspected aggravated money laundering” on a wide scale.

The U.S. State Department’s International Narcotics Control Strategy Report (INCSR) [noted in 2015](#) that:

“Reports indicate that criminals attempt to launder illegal proceeds in Switzerland from a wide range of criminal activities conducted worldwide, including financial crimes, narcotics trafficking, arms trafficking, organized crime, terrorism financing, and corruption. Although Swiss actors launder money in Switzerland, foreign narcotics trafficking organizations, often based in Russia, the Balkans, Eastern Europe, South America, and West Africa, dominate narcotics-related money laundering operations in Switzerland.”

Highlighting the ongoing blockages to reform, the Swiss National Council on September 22, 2015 [rejected amendments](#) to the Anti-Money Laundering Law proposed by the government, which would have required banks to undertake enhanced due diligence procedures. As developing countries will be excluded, for the time being, from AIA, this means that untaxed

assets from these countries will still find a „safe haven“ in Switzerland.

Read more

- [Full data for Switzerland](#)
- [Switzerland on TJN Blog](#)
- [Full Methodology](#)
- See our database report on Switzerland for full data about the financial sector, and links to reports.
- For a longer history of the emergence of Swiss banking secrecy, and see the chapter on Switzerland (Chapter 2) in the UK Edition of [Treasure Islands](#).
- For more details on Swiss bankers in the Second World War, see Tom Bower's book [Blood Money](#) and reports from Switzerland's [Independent Commission of Experts](#).
- For a fairly recent overview of Swiss tax and secrecy controversies and more, see this edition of [Tax Justice Focus](#).
- For a detailed analysis of the Swiss "Rubik" bilateral deals with the UK and Austria, see [here](#).
- Guest blog: [How Switzerland corrupted its courts to nail whistleblower Rudolf Elmer](#)

facilities, see p25 of Action Aid's report [Calling Time](#), looking at SABMiller's tax practices in Africa.

⁴ Liechtenstein Switzerland's tiny immediate neighbour to the east, followed in 1868, and has since become a close appendage of Switzerland in terms of the mechanics of secrecy structures.

⁵ See the Switzerland chapter in the UK edition of *Treasure Islands*, for a full description of these episodes.

⁶ With regard to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, the Swiss government [in June 2015 proposed](#) a range of reservations concerning the timing and material scope of application of the convention. Only a handful of other countries have made the same number of reservations that the Swiss government is proposing.

⁷ What is more, Switzerland has also been guilty in the past of extracting large (tax and other) concessions from developing countries in exchange for signing transparency agreements. See [here](#) for more details.

¹ But also because of methodological changes to our index.

² Although caution should be expressed about the origin of many of these assets, as ultimate beneficial ownership is often incorrectly recorded when used in conjunction with certain structures such as discretionary trusts or insurance wrappers.

³ As KPMG notes, the attractions for corporations are "Low effective corporate and individual income tax rates; Extensive tax planning opportunities for holding, headquarter, management, trading, IP and finance companies; Cooperative and business minded tax authorities which issue binding rulings within weeks; Dividend income and capital gains on participations are generally tax exempt; No controlled foreign companies (CFC) rules; No withholding tax on interest and royalties; Extensive treaty networks and agreements with the EU; Flexible reorganization rules." See our database report for more details. For a good example and description of how developing countries' tax systems are undermined by Swiss tax

PART 2: SWITZERLAND'S SECRECY SCORE

TRANSPARENCY OF BENEFICIAL OWNERSHIP – Switzerland

- 1 ■ **Banking Secrecy:** Does the jurisdiction have banking secrecy?
Switzerland partly curtails banking secrecy
- 2 ■ **Trust and Foundations Register:** Is there a public register of trusts/foundations, or are trusts/foundations prevented?
Switzerland does not disclose or prevent trusts and private foundations
- 3 ■ **Recorded Company Ownership:** Does the relevant authority obtain and keep updated details of the beneficial ownership of companies?
Switzerland does not maintain company ownership details in official records

KEY ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Switzerland

- 4 ■ **Public Company Ownership:** Does the relevant authority make details of ownership of companies available on public record online for free, or for less than US\$10/€10?
Switzerland does not require that company ownership details are publicly available online
- 5 ■ **Public Company Accounts:** Does the relevant authority require that company accounts are made available for inspection by anyone for free, or for less than US\$10/€10?
Switzerland does not require that company accounts be available on public record
- 6 ■ **Country-by-Country Reporting:** Are all companies required to publish country-by-country financial reports?
Switzerland does not require public country-by-country financial reporting by companies

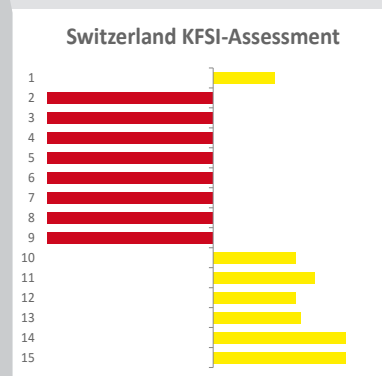
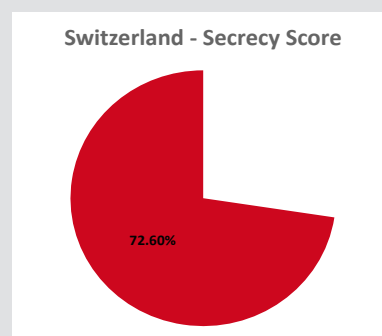
EFFICIENCY OF TAX AND FINANCIAL REGULATION – Switzerland

- 7 ■ **Fit for Information Exchange:** Are resident paying agents required to report to the domestic tax administration information on payments to non-residents?
Switzerland does not require resident paying agents to tell the domestic tax authorities about payments to non-residents
- 8 ■ **Efficiency of Tax Administration:** Does the tax administration use taxpayer identifiers for analysing information efficiently, and is there a large taxpayer unit?
Switzerland does not use appropriate tools for efficiently analysing tax related information
- 9 ■ **Avoids Promoting Tax Evasion:** Does the jurisdiction grant unilateral tax credits for foreign tax payments?
Switzerland does not avoid promoting tax evasion via a tax credit system
- 10 ■ **Harmful Legal Vehicles:** Does the jurisdiction allow cell companies and trusts with flee clauses?
Switzerland partly allows harmful legal vehicles

INTERNATIONAL STANDARDS AND COOPERATION – Switzerland

- 11 ■ **Anti-Money Laundering:** Does the jurisdiction comply with the FATF recommendations?
Switzerland partly complies with international anti-money laundering standards
- 12 ■ **Automatic Information Exchange:** Does the jurisdiction participate fully in multilateral Automatic Information Exchange via the Common Reporting Standard?
Switzerland partly participates in Automatic Information Exchange
- 13 ■ **Bilateral Treaties:** Does the jurisdiction have at least 53 bilateral treaties providing for information exchange upon request, or is it part of the European Council/OECD convention?
As of 31 May, 2015, Switzerland had less than 53 tax information sharing agreements complying with basic OECD requirements
- 14 ■ **International Transparency Commitments:** Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency?
Switzerland has ratified less than five of the most relevant international treaties relating to financial transparency
- 15 ■ **International Judicial Cooperation:** Does the jurisdiction cooperate with other states on money laundering and other criminal issues?
Switzerland partly cooperates with other states on money laundering and other criminal issues

Secrecy Score



Notes and Sources

The ranking is based on a combination of its secrecy score and scale weighting (click [here](#) to see our full methodology).

The secrecy score of 73 per cent for Switzerland has been computed by assessing its performance on 15 Key Financial Secrecy Indicators (KFSI), listed on the left. Each KFSI is explained in more detail, [here](#).

Green indicates full compliance on the relevant indicator, meaning least secrecy; red indicates non-compliance (most secrecy); and yellow indicates partial compliance.

This paper draws on data sources including regulatory reports, legislation, regulation and news available as of 31.12.2014 (with the exception of KFSI 13 for which the cut-off date is 31.05.2015).

Full data on Switzerland is available here: <http://www.financialsecrecyindex.com/database/menu.xml>

All background data for all countries can be found on the Financial Secrecy Index website: <http://www.financialsecrecyindex.com>