

In 2003, the double tax treaty between the US and Switzerland was specified in order to allow administrative assistance in case of tax evasion.⁷⁴ The US went even further in 2009 when they brought a charge against Swiss bank officials, which led to the names of 4,500 US account holders being handed over.⁷⁵ In the aftermath, other banks, Credit Suisse included, came under pressure from the US Office of Public Prosecutor.⁷⁶

In February 2012, the US opened a proceeding against Wegelin & Co. for assisting US citizens in tax evasion. The proceedings were closed in January 2013. The bank had to pay a fee and was closed afterwards.⁷⁷ Nowadays, US clients have problems opening a bank account in Switzerland and some relationships with US clients have been terminated.⁷⁸

1.4.4 Withholding Tax

Because of the huge value of potentially untaxed assets in Switzerland, the country was not only under pressure from the US but also from its neighbouring countries.⁷⁹ Germany, in particular, was committed to regaining the taxes evaded through assets hidden in Switzerland.⁸⁰ In 2009, the German Finance Minister, Peer Steinbrück, was unrelenting about the potential loss of tax base and threatened Switzerland with the “seventh cavalry” if the Swiss did not take steps against tax evasion.⁸¹

Switzerland offered a solution to solve the tax issues with Germany, Austria and the United Kingdom. These so-called “Rubik Agreements” are part of the 2015 Swiss financial centre strategy, with the primary aim of regularising undeclared funds in Switzerland and ensuring the sole acquisition of tax funds in the future.⁸² The Rubik agreement is designed to indemnify the German tax authority for former tax liabilities and compensate for the withdrawal of the tax basis in the future.⁸³

However, the tax cooperation agreement was refused by the German Federal Council in November 2012, and the Swiss financial service provider had to find another solution to solve the problem of

⁷⁴ Missbach, 2009, p. 115.

⁷⁵ Watt, 2012, p. n/a.

⁷⁶ Monty, 2010, p. 15.

⁷⁷ Wegelin & Co., 2013, p. 1.

⁷⁸ Marquart, 2012.

⁷⁹ Moll, 2012, p. n/a.

⁸⁰ Joecks, 2011, p. 441.

⁸¹ Ebner, Ebel & Hartrott, 2012, p. 287.

⁸² Perdelwitz, 2011, p. 499 & 500.

⁸³ Urtz, 2012 (2), p. 194.