sights. In any event, Swiss banks are not allowed to support the clients in this case. The only efficient solution to eliminate this loophole would have been to freeze the assets of all bank clients from the UK and Austria as soon as the agreement became public. Naturally, this would have at least breached the principles of free movement of capital within the European Union's internal market.

4 Juxtaposition of the Agreements

As shown in the cases and explained in the legal analysis, UK citizens with untaxed assets in Switzerland are able to use either the Swiss-UK tax agreement or the LDF. A blanket statement on which agreement is better is not possible, since that is dependent on what is understood as "better".[459] Therefore, on the following pages some aspects of the two agreements are compared.

Comparisons between the LDF and the Swiss-UK tax agreement have already been made by Goekmen, Hosp & Langer and Schaad. Goekmen introduces the LDF and briefly compares it with the Swiss-UK tax agreement. He sees the LDF as "the best and probably cheapest route" to becoming tax compliant.[460] Hosp & Langer compare the LDF and Swiss-UK tax agreement most deeply. They have no clear favourite but give situations which favour one agreement. For instance, the LDF should be preferred if the rate of return on assets is low, whereas the narrower timeframe[461] involved with the Swiss/UK tax agreement may reduce the tax liability significantly.[462] Schaad evaluates the advantages and disadvantages of the LDF and Swiss-UK tax agreement, with a focus on the privacy aspects of the agreements. From this perspective, he concludes that "the Swiss model has points in its favour well worth considering".[463]

4.1 Tax Load for Regularisation

The Swiss UK Agreement with its anonymous regularisation method uses a mix of the assets and gains to calculate the tax, whereas the LDF with its disclosure method only focuses on the income and gains on the personal tax rate or the composite rate. Thus the tax bases and rates are quite different. In the LDF, interest income, dividends and capital gains are the source of taxes, which are then taxed at the relevant person's ordinary tax rate or using the Composite Rate Option.

In contrast, the Swiss-UK tax agreement uses a formula to calculate the tax rate; two-thirds of this is based on the estimated income and gains for the years 2011 and 2012 and the remaining third is based

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[459] Schaad, 2012, p. 69.

[460] Goekmen, 2012, p. 51-53.

[461] Back to 2002 for the Swiss/UK tax agreement as opposed to 1999 for the LDF

[462] Hosp & Langer, 2011 (2), p. 908-917.

[463] Schaad, 2012, p. 69-71.