

5 Conclusion

5.1 Who Benefits from this Development?

5.1.1 Initiators

The initiators of this entire discussion about tax havens and the leading forces against tax evasion are certainly the European Commission, the United States of America, Germany and France. Surprisingly, until now, negotiation with these parties has seemed very difficult. The real profiteers are the United Kingdom and Austria. Although the UK still supports a large network of offshore jurisdictions and Austria provides strong banking secrecy, both were able to receive assets from Liechtenstein and Switzerland without giving something back. Of course, the agreements are technically reciprocal, but this is yet to be invoked and it is doubtful it ever will be.

Germany returned the agreement with Switzerland and a likely subsequent agreement with Liechtenstein in December 2012. New negotiations between Germany and Switzerland have started, but until Switzerland once may agree in the future, Germany will lose at least one year of tax payback. Any automatic exchange of tax information which is implemented will last until 2015 or beyond. Therefore, the initiator of the whole process has not seemed to be a beneficiary until now.

5.1.2 Liechtenstein & Switzerland

At first glance, Liechtenstein and Switzerland appear worse off under these agreements compared to the situation ten or fifteen years earlier. However, looking deeper, it's clear that both have tried to make the best out of the situation. The negotiation of tax agreements is a proactive step and should be viewed positively. According to an old saying, "If you don't go forwards you go backwards". However, the question is whether the best was good enough.

5.1.3 Other Jurisdictions

In the near future, certain jurisdictions may profit from the pressure on Liechtenstein and Switzerland. Some clients have liquidated their structures and closed their accounts in both countries in order to transfer the assets to other jurisdictions. Which jurisdictions are profiting, can only be speculated. A short survey among financial intermediaries indicates that Delaware, Panama and Australia are in great demand. However, if the automatic exchange of tax information is implemented in a few years, all jurisdictions will be considered equal and factors such as performance, consistency and legal security will determine where the money flows.