

negotiating mandate with Greece in November 2012.⁵¹¹ An agreement with Italy has moved beyond reach.⁵¹² An agreement with France was refused initially but this could change in the future if need for revenues continues.⁵¹³ Further negotiations with additional states are not officially confirmed. Nor have any further negotiations with other states been officially announced by the Liechtenstein government.

It is questionable whether the Liechtenstein government will negotiate further agreements based on the LDF, due to the recent switching to the Swiss draft for its agreement with Austria. This shows inconsistency in the implementation of the Liechtenstein Declaration and lack of confidence in the agreement philosophy. Furthermore, two different solutions to reach more or less the same goal increase compliance costs for banks and other financial intermediaries in Liechtenstein. Different IT solutions are needed for each agreement, and employees will require external training and a period of vocational adjustment. Furthermore, to a certain degree, the whole staff will require some information in order to understand the philosophy and gain a narrow understanding of the process. This cost of expenditure cannot be fully charged to the clients. From a financial point of view, the agreements are not profitable for Liechtenstein and Swiss financial intermediaries.

In addition, the lack of further agreements from Switzerland indicates that the negotiations are interminable and unsuccessful, especially after Luxembourg and Austria agreed to reduce their banking secrecy and allow an automatic exchange of information about interest earnings. According to Jean-Claude Juncker, head of government in Luxembourg, a precondition for this easing is that third states like Switzerland also agree to an automatic exchange.⁵¹⁴ In its press release from 12th of June, 2013, the European Commission proposed a memo in order to extend the automatic exchange of information.⁵¹⁵ This directive is scheduled to be brought into force at the beginning of 2015 and should also include Switzerland, the Cayman Islands and the British Virgin Islands.⁵¹⁶

How long Switzerland and Liechtenstein are able to defend against this development in the European Union is strongly questionable. Since employees of banks and other financial intermediaries would be

⁵¹⁰ Hosp & Langer, 2011 (1), p. 126.

⁵¹¹ Klenger, 2013.

⁵¹² Tzermias, 2013.

⁵¹³ Gilleard, 2011, p. n/a.

⁵¹⁴ Handelsblatt, 2013.

⁵¹⁵ European Commission, 2013.

⁵¹⁶ Mülherr, 2013.