

of potential tax havens for tax evaders has reduced significantly and the existing ones feature weak economies or underdeveloped banking services.<sup>524</sup>

The key question is whether clients will stay in Liechtenstein and Switzerland after the disclosure, since secrecy was certainly one of the reasons to come. However, recent research has shown that, for the larger banks in Switzerland, bank secrecy is less important than expected and that banking secrecy is sought due to privacy concerns rather than for tax evasion purposes.<sup>525</sup> With the recent uncertainty caused by the EU budget deficit, countries such as Liechtenstein and Switzerland are still valued for their currency and stability.<sup>526</sup> But tax compliant clients will doubtless value the returns on their assets more than tax evaders, who were more concerned with tax reduction.

In the new environment, banks and financial advisors must provide tax efficient but lucrative investment opportunities to their clients. In the future, investments must work conveniently with the client's tax system and the reporting must satisfy his requirements. Relationship managers must be appropriately trained in his clients' tax system.<sup>527</sup> Additionally, fees are very important in a tax compliant world. The fees in Liechtenstein and Switzerland are comparatively high.<sup>528</sup> However, clients can expect premium banking, services and advice.

Due to these changes, Liechtenstein and Swiss financial intermediaries can no longer suppose that clients will contact them. Instead they must contact and actively seek out clients. Those unwilling to adapt to the new direction may disappear.

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<sup>524</sup> Summers, 2013, p. 45.

<sup>525</sup> Delaloye, Habib, Ziegler, 2012, p. 175.

<sup>526</sup> Hess, 2012, p. 34 & 35.

<sup>527</sup> Summers, 2013, p. 47.

<sup>528</sup> Hüppi & Schuurmans, 2011, p. 40 & 41.