

[U.S., Swiss Agree to Share Data on Tax Evaders](#)

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The U.S. and Switzerland said they agreed to share information on potential tax evaders for the first time, the latest step toward eroding Switzerland's renowned banking secrecy.

U.S. Treasury Secretary Timothy Geithner said the deal, which the governments began negotiating in April, "will help bring an end to an era of offshore accounts and investments being used for tax evasion." The U.S. declined to release details until the deal, which could face a referendum in Switzerland, has been completed and signed.

Switzerland and other tax havens in Europe and the Caribbean came under intense international pressure to agree to share tax information with other governments ahead of a summit meeting of the Group of 20 governments in London in April.

The Swiss government succumbed to the pressure in March, saying it agreed to follow guidelines on the sharing of tax information laid down by the Organization for Economic Cooperation and Development, the Paris-based club of rich-country governments. In April, the U.S. and Switzerland said they would start negotiations, which Friday's announcement indicates are now complete.

The deal, however, could still be derailed in Switzerland, where it must gain the backing of parliament and could become the subject of a referendum. The agreement with Washington is one of six that Switzerland has initialed with various countries. Because those agreements contain significant new obligations, one of them could be put to a national referendum if 50,000 signatures are collected.

The agreements generally follow templates laid down in the OECD's model tax convention. Twelve such agreements would be enough to remove Switzerland from the OECD's "gray list" of countries that have said they will cooperate on sharing tax information but haven't yet taken the necessary steps to put information-sharing arrangements in place.

The arrangements allow the sharing of information only on specific names in specific banks and don't allow trawling for information on unspecified individuals. Typically, requests for information between countries amount to no more than a few dozen a year.

Switzerland has said it won't undermine the confidentiality of Swiss financial institutions.

The U.S. Treasury made it clear, however, that the new accord won't affect a civil suit filed by U.S. authorities aimed at forcing Swiss bank UBS AG to provide information about 52,000 clients. Swiss officials have said that at an April meeting, Swiss President Hans-Rudolf Merz asked Mr. Geithner to kill the case against UBS in exchange for the new treaty terms.

In February, UBS agreed to pay \$780 million to avoid prosecution in a U.S. criminal case after admitting to conspiracy to defraud the U.S. government of billions of dollars in tax revenue. UBS also agreed to hand over the names of about 250 clients who allegedly used UBS accounts to dodge taxes.

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