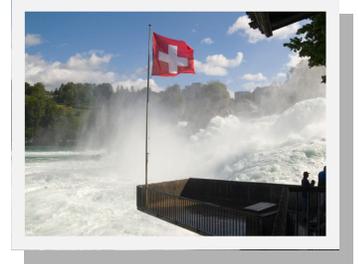


UK– SWISS TAX TREATY

A landmark taxation agreement between the UK and Switzerland will come into force on 1 January 2013.

It is important that individuals with undeclared assets in Switzerland give early consideration to the implications of the agreement to ensure that the best possible action is taken.



A one-off levy of between 21% and 34% will be applied to Swiss bankable assets held at 31 December 2010 up to the value of £1,000,000.

The upper threshold then increases by one percentage point for every £1m worth of assets up to a maximum charge of 41%.

From 6 April 2013 there will be a withholding tax of 48% on interest income, 27% on Capital Gains, and 40% on dividends.

The treaty will generally apply to UK taxpayers who held a Swiss account as of 31 December 2010 and where the account remains open as of 31 May 2013.

Swiss Agreement v LDF

The Liechtenstein Disclosure facility (LDF) is a viable alternative method of disclosure providing assets are moved to Liechtenstein to create a 'meaningful relationship'. Please note that if the LDF is to be used action should be taken to ensure that the terms of the LDF apply before a disclosure has to be made under the Swiss Tax Treaty i.e. by 31 May 2013.

The two options are compared in brief below; however the best disclosure method will vary depending on each individuals circumstances.



Swiss Agreement	LDF
Enables privacy to be retained	Guaranteed immunity from prosecution
Applies to Swiss assets only	Applies to worldwide undisclosed assets
One off levy to regularise untaxed Swiss assets	Composite tax rate option — potential for significant tax savings
Penalties covered by the one off levy	Guaranteed reduced penalty rate of 10% for tax years to April 2009
Clearance for past years only applies to funds subject to the one-off levy	Achieves certainty for the future
Withholding taxes apply from April 2013	Applies to tax liabilities from April 1999 only

How Eaves & Co Can Help

Under the revised money laundering reporting obligations, as tax advisors Eaves and Co, are relevant specialist advisors and therefore benefit from the Privileged Reporting Exemption. This enables fully confidential discussions to take place.

We can help you understand how the UK Swiss Agreement will affect you and advise on the best course of action based upon your circumstances.

If required we are able to prepare a report and some illustrative calculations comparing the outcomes of disclosing under the UK Swiss Agreement and the LDF for a pre agreed fee.

Our Firm

Eaves & Co have been established for over 17 years. The firm specialises in tax investigations and robust tax planning, so you can be assured you are getting bespoke advice tailored to your individual circumstances.

Our Experience

Our partners, Paul Eaves, a former senior HMRC inspector and Paul Davison, private client tax specialist, have already helped a number of people understand the LDF and, where appropriate, voluntarily disclose unpaid UK tax liabilities to HMRC.

What to do now

- Contact Eaves & Co to arrange a fully confidential initial meeting
- Conduct an initial prognosis of the likely outcomes under the two disclosure options
- Implement the appropriate action

If you would like more information or would like to discuss the matter further please do not hesitate to contact one of our partners.



Paul Davison ACCA CTA
0113 248 4030
pdavison@eavesandco.co.uk

Paul Eaves FCA MSI
01704 548 698
peaves@eavesandco.co.uk



We are a team of Independent Specialist Tax Advisors who work with:

- Accountants
- Solicitors
- Businesses
- IFA's
- Individuals

Leeds

12 York Place

LS1 2DS

Southport

11 Part Street

PR8 1HX

www.eavesandco.co.uk

