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## TAX GAP

# In the country where tax evasion is no crime, Swiss private banks are unrepentant about siphoning off other governments' income

Tax gap reporting from

The Guardian, Thursday 2 February 2006

**A** *tax reporter*

Critics of Switzerland would say that the country and its banks are running an anti-social enterprise, in effect picking billions of dollars a year out of the pockets of others. It was the spectre of Switzerland that Britain's prime minister, Gordon Brown, sought to raise in parliament yesterday, as he attempted to assure critics that he was doing something positive against tax avoidance.

The Swiss openly admit not merely legal tax avoidance but also the deliberate concealment of wealth for the purpose of evading tax - something regarded as a crime all over the developed world. Swiss authorities have benefited and even subverted efforts to stop this drain of taxable cash. The German finance minister last year called for Switzerland to be officially named and shamed as an open-operative tax haven.

Swiss bankers themselves estimate that they hold at least 20% of the estimated \$1.4 trillion of personal wealth hidden in the world's tax havens. Konrad Hummer, president of the Swiss private bankers' association, has said: "The large majority of foreign investors with money placed in Switzerland evade taxes."

And he remains unapologetic. He acknowledged to the Guardian that Swiss banks siphon off other governments' revenue.