



Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation

Agenda Item 2 (b) Topics for High Level Commitments – April 30

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Mr Chair, distinguished delegates, thank you very much for the opportunity to speak here. My name is Dominik Gross and I am here today on behalf of Alliance Sud in Switzerland and the Global Alliance for Tax Justice of which we are a member.

My home country Switzerland is a highly globalised economy: It is among the most important financial centres in the world and roughly half of global commodity trading is transacted through Switzerland. Switzerland therefore serves as an example of the challenges we face and the need for an international tax system under the umbrella of the UN, that meets today's enormous economic, environmental and social challenges.

The Swiss financial centre is still number one in managing cross border assets. According to the Swiss Banking Association 4000 billion US-Dollars from foreign customers are managed by banks in Switzerland. Nobody knows how many of these assets are subject to automatic exchange of financial account information under the existing rules of the OECD global forum on Transparency and Exchange of Information for Tax Purposes. Switzerland has introduced the automatic exchange of information with over 100 jurisdictions. But Switzerland has not abolished banking secrecy itself. Tax evaders from various countries, which are not enjoying exchange of information with Switzerland, far and foremost developing countries, can still benefit from unrestricted protection by Swiss banks. Over the last ten years, various leaks concerning global wealth management have showed, that Swiss law firms are also very successful in trying to help the super-rich escape taxation. While some countries, and mostly in the global north, have experienced progress within the area of automatic information exchange, the OECD's Global Forum has failed to provide the fair and inclusive standards we need. The example of Switzerland shows, that we have yet to shed light on the darkest areas of the financial industry.

The Swiss financial secrecy is also at the expense of Switzerland itself. The country does have a fairly decent wealth tax. However, no one can say whether the corresponding assets in Switzerland are actually taxed in line with it: banking secrecy prevents this. Change is not very likely to come from the inside. It is inhibited by the fear that a fundamental shift away from the secrecy business could lead to a loss of attractiveness in comparison with other financial centres. This fear can only be alleviated by creating rules that force everyone out of hiding.

Rules are therefore needed, which ensure that information exchange and transparency works for everyone. Mr. Chair, distinguished delegates, hundreds of billions of assets remain untaxed every year, in Switzerland and all around the world. We can't afford no change anymore, thank you.