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Switzerland Publishes Tax Evader List

The Swiss government and hundreds of Swiss banks have been roiled by the U.S. crackdown on American tax evaders. With six years of almost non-stop hits to the country and its bankers, it may be no surprise that now [Switzerland is publishing the names of foreign tax evaders](#). Some observers are calling this the real and final end of Swiss bank privacy tradition, which mostly dates to the 1930s. Deutsche Welle has cited the Swiss media Sonntagszeitung for the news, saying that the Swiss government will list the names, birthdates and nationalities of alleged tax evaders in its federal newspaper.

The data will be publicly available on the Internet, which will allow the people on the list to protest the publication in court. Swiss authorities and the EU reached agreement against tax frauds early in 2015. Swiss prosecutors are still probing HSBC based on Swiss Leaks. It has become clear over the past half decade that Swiss protections were not what people thought they were. A 1934 Swiss law actually made it a criminal offence for a banker or bank employee to disclose the identity of clients. The law still applies but in recent years it has been interpreted in ways that suggest there is little left.



UBS AG got into trouble with the IRS and Justice Department, launched thousands of voluntary disclosures to the IRS, and changed bank secrecy forever. Eventually, the Swiss Parliament passed

a measure enabling banks to hand over client identities to American authorities without violating Swiss bank-secrecy laws. After getting bruised in court battles with the IRS, in 2009, UBS [paid \\$780 million](#) to settle charges that it helped wealthy Americans evade taxes.

UBS is faces more queries over whether the bank helped Americans evade taxes through bearer securities, which are just what they sound like, and were mostly outlawed in the U.S. decades ago. Since they are like money, they feature in crime movies like Die Hard (remember all those floating bearer bonds after the explosion?). Of course, not every investigation goes anywhere. Not even every prosecution does.

One big loss for the feds was when Mr. Raoul Weil, the top UBS banker, [was found not guilty of tax evasion](#). The government accused Mr. Weil and his subordinates of using sham structures so U.S. clients could sidestep the IRS. Mr. Weil was indicted in 2008, and finally arrested in Italy in 2013, courtesy of Interpol. The indictment claimed that between 2002 and 2007, Mr. Weil's UBS unit helped 20,000 U.S. clients conceal approximately \$20 billion in assets from the IRS.

The IRS has indicted and prosecuted other foreign bankers and advisers, sending a chill through advisers everywhere. [Renzo Gadola](#), a UBS banker from 1995 to 2008, got five years' probation after turning over names of fellow bankers enabling Americans. Another was [Christos Bagios](#) of Credit Suisse, formerly with UBS. Mr. Bagios was accused of helping U.S. clients hide as much as \$500 million from the IRS while at UBS.

Many names and addresses are being added to the mountains of information collected from voluntary disclosures, whistleblowers and [FATCA](#). The granddaddy of disclosure laws, FATCA is a pervasive U.S. law that makes foreign banks and financial institutions report on Americans. In Switzerland, over 100 banks are participating in a [program](#) to disclose undeclared American accounts and pay penalties. See [Signed Joint Statement and Program](#).

Numerous U.S. taxpayers have disclosed their offshore accounts, and in June of 2014, the IRS revamped and expanded its programs. Meanwhile, Credit Suisse Group AG's main bank subsidiary [pleaded guilty and paid a \\$2.6 billion penalty](#). For depositors and banks alike, disclosure and penalties are vastly better than the alternative. And it is clear that merely [closing foreign accounts is not an alternative](#) to coming clean with the IRS.

With around 120 prosecutions and tens of thousands of Americans stepping forward to pay taxes, penalties, and interest, the IRS has collected billions. Arguably, no offshore income, account or trust is still secret.

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