

Swiss UK tax deal falling apart - thankfully

Published: January 14, 2026, 8:57 am

I [have strongly criticised the deal the UK](#) is proposing to enter into with Switzerland so that Swiss banks would collect a flat tax payment from their tax evading UK clients and that flat tax would cancel the entire tax bill of those UK resident people.

There are three good reasons for doing so. The first is that this deal does not tackle tax evasion. Those who have evaded will keep their anonymity on payment of a lump sum - but only the Swiss will know who has paid or not, meaning the UK cannot enforce its own law. Second, this deal will give permission for anyone and everyone and anyone in the UK to move their savings to Switzerland and so avoid or evade UK tax - because the withholding rate is bound to be less than 40% and as a result the UK will effectively pass control of UK tax policy to another state. Last, the deal will mean the UK will pay another state to collect its tax but have no control over the process. It is an abandonment of tax sovereignty by the UK. To call it a nasty little deal is as a result being kind to it.

Thankfully it looks like it may not happen. [Reuters are reporting](#) that Swiss banks can't agree how the lump sums to regularise old tax evasion that they permitted are to be paid, and by which of them. Apparently it's unlikely they'll be able to recover the money from their tax evading customers (not least, I suspect, because that would require them to admit they knew who they were) and so the deal looks like it may be falling apart.

For once I have something to thank Swiss bankers for.