

The OBR say the UK - Swiss tax deal is full of holes

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Fascinating commentary in the Office for Budget Responsibility Autumn Statement report on the UK- Switzerland tax deal. [They say \(page 118\)](#):

The UK-Switzerland tax deal announced on 24 August ... is not included in the central projection as it is subject to ratification by the Swiss Parliament and a possible referendum. HMRC and Ministers have stated that the yield from this policy is in the range of £4 to £7 billion. We have not certified this costing. Our initial discussions with HMRC suggest there are significant uncertainties (in particular over the amount of UK funds in Switzerland that would be subject to the deal and the assumed level of compliance) and we currently judge that the yield is likely to be towards the lower end of the range. We will consider the available evidence further for the final costing.

This deal is, of course, one of 'Hartnett's specials' - referred to on this blog often. It's a deal that the European Commission says breaks EU law and which is both highly avoidable and quite deliberately designed by the UK to undermine the attempts to end tax havens, no doubt in an attempt to preserve tax abuse from the UK's own tax havens on behalf of the City of London.

Now the OBR has spoken and in about the politest terms possible they have said they have no confidence at all in the projections for tax to be collected. Why? Because it is not yet proven to be legal and because, as they all too obviously realise, it can be avoided as easily as the average lamp post is missed every day by people on the pavements of the UK.

More than that - they know the funds in Switzerland are currently leaving by the suitcase by the hour for Singapore whilst they're also saying they have no confidence in Swiss banks' role as honorary tax collectors for H M Revenue & Customs.

If you'd want a louder message saying Hartnett was either gullible, and that the Swiss saw him coming, or alternatively he's done a deliberately bad deal it would be harder to find.

Hat tip: Faisal Islam