Funding the Future

UK tax deal with Switzerland is already being renegotia...

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I have commented often on the UK - Swiss tax deal that Dave Hartnett negotiated and which was initialled by both parties in October. My objections to the deal are numerous, some being summarised here and others here.

Now Bloomberg has noted:

Switzerland is discussing "technical adjustments" to tax agreements with the U.K. and Germany, SonntagsZeitung reported, citing Andre Simonazzi, a spokesman for the Swiss Federal Council.

The changes aim to counter criticisms of the accords from the European Union, the Zurich-based newspaper reported. The talks are on revisions to distinguish between the EU-Swiss tax on interest and a separate withholding tax, Simonazzi was cited as saying.

Similar stories have appeared in the Swiss press.

I think three observations follow. The first s that those who said the opinion of the EU on this issue did not matter are clearly wrong: it does, very much.

Second, this renegotiation seems to confirm that others will not go down this route and the hopes of Luxembourg that they might use the deal as a mechanisms to shatter the upgrade to the European Union Savings Tax Directive - a hope, I suspect shared by George Osborne in support of UK tax havens - look like they may be shattered.

Last, yet again we see the gross incompetence of Dave Hartnett at work - seemingly doing deals irrespective of their legality to keep his political masters happy, whatever the cost. I just wish I had the confidence he was being replaced by someone better.