

For a man who says he thinks tax evasion is repugnant G...

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George Osborne [said in his budget speech this week](#):

I regard tax evasion and — indeed — aggressive tax avoidance — as morally repugnant.

I regret to say he was lying. He can challenge me if he wishes, but he'd lose because the evidence is unambiguous and wholly in my favour. On Tuesday - just the day beforehand the UK signed a deal with Switzerland on funds held in Swiss bank accounts by tax evading UK resident people (it has to be tax evaders - those already declaring are not covered by the deal). Under that deal [the FT notes](#)

Income and gains on the Swiss assets will be subject to the 35 per cent withholding tax levied under the EU savings tax directive. In addition, the UK will levy a “tax finality payment” of 13 per cent to bring the rate up to 48 per cent, in line with the initial agreement.

In addition, Swiss accounts will be subject to a one-off deduction of between 19 per cent and 34 per cent of their value.

Now let's be clear what this means and how it works.

First this applies to any funds in Switzerland where the owner tells the Swiss bank that they do not wish to advise the UK and H M Revenue & Customs of the fact they have an account. Why would you do that? Only, of course, because you had something to hide. In the past that may have been the income earned on the account. In the future it will be the money paid into the account. Why would you hide it? Because you did not want to pay tax on it or because it was the proceeds of crime, of course. That is the only possible explanation. I defy anyone to suggest another that is plausible - and privacy is not an issue, so please don't raise it. So, by definition, all accounts to which this agreement applies contain criminal funds since tax evasion is a crime in the UK. There may be other crime to, but at the most basic level there will be the crime of tax evasion associated with such accounts or it would make no sense for anyone to

take part in this scheme.

Second, although this agreement explicitly recognises that the Swiss banks who will now collect this tax have been for decades openly assisting UK tax evaders, as has of course the Swiss government who have created the criminogenic environment in which their banks can operate (and did so deliberately in 1934 with the explicit aim of assisting tax evaders) we are now going to give them the absolute right to assess UK tax without having any recourse at all to check what they are doing! We are therefore trusting those who have explicitly assisted crime to collect our tax. It's hard to think up anything more bizarre!

In exchange for this unauditible cash which with regard to past payments is likely to represent billions less than any reasonable sum owing - a process which therefore rewards crime explicitly - we waive the obligation for all who use Swiss bank accounts to ever mention the fact on their UK tax return - which will now be deemed complete despite that absence - a previously wholly unprecedented arrangement. In other words, these criminals are explicitly allowed to hide their crime and we cannot now penalise them for doing so.

Third, let's be clear - the EU objected to this explicitly because they said it contravened the European Union Savings Tax Directive that has just one purpose, which is the beating of tax evasion, and so the UK built a loophole any tax abusing accountant would have been proud of into the scheme to aggressively avoid the obligations of that directive to ensure we could explicitly help evaders to continue with their crimes by deeming the tax the Swiss will collect to be in two parts - one an EU part and the other a UK top up. It's unbelievable that at a time when HMRC says it wants to stop schemes with artificial steps in them that it would resort to using a wholly artificial scheme to help tax evaders using Swiss banks, and yet that is what they are doing.

In other words - this whole scheme is designed to help tax evaders, reward tax evaders and undermine the EU's law intended to stop tax evaders. It's not just profoundly unethical it has to be wondered whether it is legal and ultr-vires H M Revenue & Customs's powers to sign it. Most definitely it helps tax evaders is utterly morally repugnant and yet George Osborne praised it. Which is why he's a liar.

But then it has to be asked, why did he go to such effort, and why has he so explicitly sought to undermine EU efforts to crack down on tax evaders and the only answer can be a simple one - which is that this government did this in an unholy alliance with the Swiss to protect their tax evasion industry because if that had been broken the tax evasion industries in Jersey, Guernsey, the Isle of Man, Cayman, the British Virgin Islands and so many other branch offices of the City of London would have been broken as well. So this support for tax evaders is not chance: the only explanation for this is that it is British government policy to now assist tax evasion through tax havens.

That's why George Osborne undoubtedly lied.