

The FT says it's time to scrap the UK - Swiss tax deal ...

Published: January 13, 2026, 9:39 am

The FT has, in a very welcome editorial, come out strongly against the deeply offensive UK - Switzerland tax deal that was made UK law this year and which comes into effect soon. Commenting favourably on the German parliament's recent rejection of a [similar deal it says](#):

The [rejection of a tax agreement with Switzerland](#) by the upper house of Germany's parliament is a welcome opportunity to revisit a deal that was too lenient on tax evaders and those who aid and abet them. The UK and Austria, which have struck similar deals with Bern, should also see the virtues of a tougher approach.

Quite so. And it adds:

The deals are all cast in the same mould: the countries' own tax authorities abdicate their task to Swiss banks, which will charge anonymous account holders a one-off fee on assets deposited in the past and a regular withholding tax on future income. This money — but not information about the owners' identities — will flow back to the national treasuries to which the taxes were originally owed.

This is better than nothing, even if it may not make back what was originally owed. The sanctioning of anonymity, however, breaches a basic principle: not to grant cheaters a privilege — the ability not to declare their taxable income or assets to the proper authorities — denied to those who play by the rules. This is an injustice in its own right. It also raises the question of how the new agreement can be trusted to work in practice.

Precisely.

And as it then notes, the US approach is so much better:

By contrast, the US authorities insist on being told which American taxpayers squirrel money away in the Alpine refuge, and are prepared to make life insufferable for Swiss banks that operate in the US unless they comply with its wishes.

Which is exactly what we should do: no information and no banking in London by Swiss

banks is an easy equation to understand. As they say:

Playing hardball works: Swiss banks are edging towards closing accounts of clients who hide from the taxman. The UK, with its big financial centre, has even more leverage. It is reported to be piggybacking on US legislation to break the secrecy of its own Channel island dependencies. It should follow the US lead vis a vis Switzerland as well.

Good to see that the [news leaked a week ago that the UK is looking to impose](#) US style regulation on the Crown Dependencies is already changing debate. It should do so; the need for action has never been more urgent.