

The Swiss are giving up on their 'Rubik' deals after th...

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The [usually reliable Swissinfo reports](#):

Most Swiss newspapers have given the last rites to the withholding tax model, following the “no” from the German upper house of parliament to a tax treaty aimed at legalising undeclared assets held by Germans in Swiss banks.

Only the Neue Zürcher Zeitung (NZZ) still had faith in the “ingenious withholding tax system”.

Switzerland had done its homework, the paper said, and developed a suitable tax model — “it’s therefore worthwhile to fight for such a solution”. It pointed out that Britain and Austria, with whom Switzerland had signed similar agreements which are set to come into force on January 1, considered this approach purposeful.

Nevertheless, the NZZ said it was clear that “for the time being the meaningful construct of a withholding tax remained built on sand” and that the foundations of the agreement with Britain and Austria “couldn’t take a lot of weight”.

In other words, these deals are dead in the water.

The UK has made our deal with Switzerland law despite it representing the biggest single ever criminal pardon for organised criminals ever passed in UK law so generous is it to tax cheats.

But the law does not come into effect for just a little longer. There's still time for Osborne to admit a mistake. If he doesn't it's a sure sign he'd rather let the criminals off.

On Friday, the opposition German Social Democrats (SPD) and the Greens voted against the agreement with Switzerland, saying it had too many loopholes and that it went against tax equity. They've got it right. We have not.