

U.S. DEPARTMENT OF THE TREASURY

Press Center



United States, Switzerland Sign Agreement to Bolster Tax Information Exchange

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As part of the Obama Administration's aggressive efforts to enforce U.S. tax laws and reduce offshore tax evasion, the U.S. Department of the Treasury today announced that Treasury Secretary Tim Geithner and Swiss Ambassador to the United States Urs Ziswiler signed a protocol updating the current income tax treaty between the United States and Switzerland to allow for greater tax information exchange.

"Tax evasion is not simply an American issue, it is a global issue requiring global co-ordination," said Treasury Secretary Geithner. "As we prepare to meet our G-20 counterparts in Pittsburgh this week, today's agreement strengthens our longstanding and cooperative relationship with Switzerland and will help serve as an example for others around the world. Global efforts to end offshore tax evasion have never been stronger; we look forward to working with other nations to act against tax evasion and protect public finances and our financial systems."

The protocol revises the existing U.S.-Switzerland income tax treaty to allow for the exchange of information for income tax purposes to the full extent permitted by Article 26 of the Organization for Economic Co-operation and Development (OECD) Model Income Tax Convention. The protocol also provides for mandatory arbitration of certain cases and addresses issues around the cross-border taxation of individual retirement accounts.

In recent months, the Administration has demonstrated its commitment to closing the tax gap. At the G-20 Leaders' Summit in London, the U.S. strongly supported efforts to ensure that all countries adhere to international standards for exchange of tax information. In the FY 2010 Budget, the Administration delivered a detailed reform agenda to reduce the amount of taxes lost through unintended loopholes and the illegal use of hidden accounts by well-off individuals. The Treasury Department concluded Gibraltar's first-ever tax information exchange agreement and also concluded an agreement with Luxembourg to provide for greater exchange of tax information. And in early June, the U.S. Department of the Treasury announced an agreement with Switzerland to amend the U.S.-Switzerland income tax treaty to provide for increased tax information exchange. Today's protocol signing formalizes that agreement.

The full text of the protocol can be viewed [here](#) .

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