



Counterproposal to the Matter initiative: it's up to the Swiss people

On 5 September 2016, the consultation on the direct counterproposal to the initiative "Yes to the protection of privacy" came to an end. The Association of Swiss Private Banks (ASPB) takes position neither for nor against the counterproposal, in the belief that it is not the banks who should express their opinion but rather the citizens and taxpayers of this country, to whom banking secrecy belongs.

In the age of social networks, privacy is more than ever under threat. And the scope of privacy includes everyone's bank statement. In late 2014, the Swiss parliament strengthened laws sanctioning the theft or sale of banking data. The FINMA, meanwhile, has become increasingly stringent with regard to data protection within banks. Discretion, a cardinal virtue of Switzerland, is thus not being called into question in our country.

Outcry from the left, the cantons and the SBA

The automatic exchange of information, which Switzerland has decided to observe with foreign countries, sounds the death knell of banking secrecy in tax matters. Since 2009, it can no longer be used as an argument to oppose foreign nations' requests for banking information.

Nevertheless, this international standard does not dictate domestic policy. Switzerland is free to decide whether or not it wishes to relax banking secrecy for its own taxpayers. That is the question the Swiss people will indirectly be answering when voting on the Matter initiative or the direct counterproposal currently being drafted by Parliament. However, the counterproposal, which has recently been submitted for consultation, has been met with an outcry from the cantons, the left and the Swiss Bankers Association (SBA).

The ASPB can live with or without banking secrecy

For its part, the Association of Swiss Private Banks (ASPB) takes position neither for nor against the counterproposal. The ASPB believes that it is not the banks who should express their opinion but rather the citizens and taxpayers of this country, to whom banking secrecy belongs.

The ASPB does not understand the position of the counterproposal's opponents, who claim that, if accepted, it will facilitate tax evasion, since it creates no new rules but instead confirms the status quo – more so than the initiative, in fact. Consequently, its acceptance per se would change nothing with regard to the current situation. Neither would its refusal. The principal merit of this vote is that it will send a signal about how to approach the revision of the withholding tax and the reform of the criminal tax code, which the Federal Council has suspended until after the vote.

In the view of the ASPB, the Swiss people should be aware that a "yes" vote will send a strong signal in favour of strengthening the withholding tax. Conversely, a "no" vote will be seen as an opening towards the automatic transmission of tax-related information by banks.

The ASPB's member banks can live with either system. Whatever the outcome, they will honour the people's decision and apply the law, as they always have.