Rubik Agreements: The New Swiss Strategy

Rubik's main features

Except for some differences based on the specific of each internal fiscal regime, the tax deals which Switzerland signed with UK, Germany and Austria are very similar.

The aim of Rubik is simple

1- To guarantee the effective taxation of the "relevant persons" that is to say the residents of the States contracting a Rubik agreement with Switzerland, according to the legislation of their country of residence.
2- To preserve the secrecy of Swiss banks.
3- To regulate anonymously past untaxed assets.
4- To guarantee effective taxation on future assets.

Who are the "relevant persons"?

1- Individuals who hold assets in Swiss banks;
2- Individuals who hold indirectly assets in Swiss banks, by:

   A. A domiciliary company;
   B. An insurance company, in relation to an insurance wrapper which has as its premier aim the placement of assets and not the covering of a specific risk;
   C. Another individual (nominee).

What is a domiciliary company?

In the context of Swiss fiscal law, the domiciliary company is a company which exercises an administrative activity but does not have a commercial activity.

Can a Domiciliary Company be excluded from the scope of the agreement?

Yes, from when it is itself subject to an effective taxation under the general rules for direct taxation applicable under the law of its constitutional or residential place.

What are the consequences of this exclusion?

The individual who indirectly holds assets in Swiss banks on the basis of a capital company effectively taxed are excluded from the scope of the agreement, whether the company exercises a commercial activity or not.

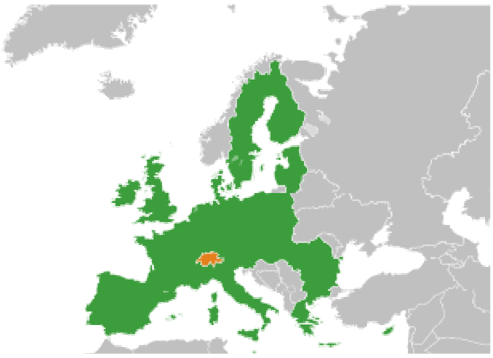
What are the relevant assets?

All forms of assets being deposited with a Swiss bank.

What are the excluded assets?
Excluded from the application field of the Agreement:
- contents of safe deposit boxes;
- real estate;
- chattels;
- insurance contracts whose premier aim is the covering of a determined risk.

Switzerland - Austria*
Under this agreement, residents in Austria can make a one-off payment – at a rate of between 15 per cent and 38 per cent on the assets concerned - or disclose their accounts to regularise their existing banking relationships in Switzerland.

Future investment income will be subject to a withholding tax at a rate of 25 per cent



Switzerland - UK*
Under this agreement, residents of the UK can make a one-off payment – at a rate of between 19 per cent and 34 per cent on the assets concerned** - or disclose their accounts to regularise their existing banking relationships in Switzerland.
Future investment income will be subject to a withholding tax at a rate of:

1- 48 % of interest income.
2- 40 % of dividend income
3- 27 % on capital gains

The tax will be deducted on an anonymous basis

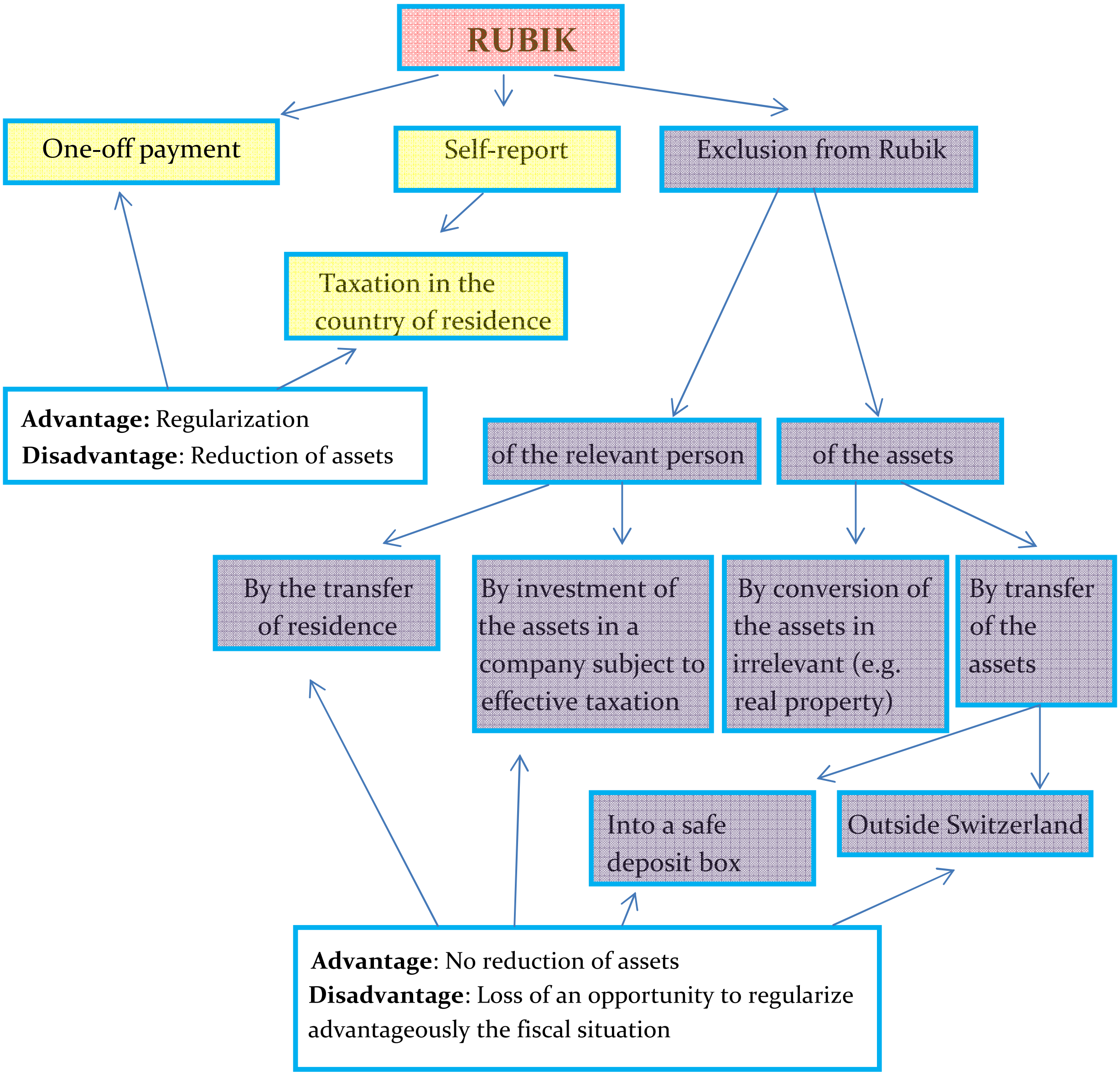
Switzerland - Germany*
Under this agreement, residents in Germany can make a one-off payment – at a rate of between 21 per cent and 41 per cent on the assets concerned - or disclose their accounts to regularise their existing banking relationships in Switzerland.
Future investment income will be subject to a withholding tax at a rate of 26.375 per cent.

The tax will be deducted on an anonymous basis.

Notes:
*: These agreements cannot be considered definitive since they can still be modified during the following weeks/months.
**: Maybe these agreements will be amended and the rates of 19 and 34 will be increased to 21 and 41%

Please feel free to contact us with any questions or queries: Email: info@trust4trust.com

The Rubik solution



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