

## **US tax dispute timeline**

- In 2008, client data was requested by the United States by means of an administrative assistance request.
- On 18 February 2009 and ceding to pressure from the United States, the Swiss Financial Market Supervisory Authority FINMA supplied some 250 client dossiers outside of administrative assistance channels. The request for administrative assistance was withdrawn and at the same time legal proceedings were brought in the United States to demand the disclosure of approximately 52,000 UBS client dossiers.
- On 19 August 2009, an agreement on an administrative assistance request from the US Internal Revenue Service concerning UBS AG, a company limited by shares established under Swiss law (UBS agreement, SR 0.672.933.612), was negotiated with the United States, according to which the Internal Revenue Service (IRS) was to receive some 4,450 UBS client dossiers.
- At the start of 2010, the Federal Administrative Court blocked the disclosure of client data based on this agreement on the grounds that in some areas the UBS agreement went beyond the administrative assistance scope set out in the double taxation agreement of 2 October 1996 (SR 0.672.933.61). The UBS agreement of 19 August 2009 was subsequently amended and approved by Parliament.
- After the Federal Tax Administration (FTA) had provided administrative assistance, the IRS irrevocably withdrew its lawsuit against UBS on 15 November 2010.
- Based on the some 4,450 UBS client dossiers transmitted as well as numerous voluntary disclosures, the IRS gained knowledge about clients who had transferred their assets from UBS to other banks within Switzerland and abroad. The US Department of Justice (DoJ) initiated proceedings against other Swiss banks based on these findings.
- Talks on dealing with past issues for Swiss banks began between Switzerland and the United States at the start of 2011. During these talks, the DoJ expressed its growing dissatisfaction with these banks' lack of cooperation with the US authorities.
- On 4 April 2012, the Federal Council gave banks in legal proceedings authorisation in accordance with Article 271 para. 1 of the Swiss Criminal Code (SCC) to safeguard their interests, particularly to explain their business practices.
- In the autumn of 2012, the DoJ took over the lead from the IRS for the talks on finding a solution for the past. The focus shifted from the delivery of client data to the criminal liability of Swiss banks.
- In parallel to the talks on finding a solution for the past, negotiations on simplified implementation of the US tax legislation known as FATCA commenced with the Department of the Treasury in the summer of 2012. The agreement was signed on 14 February 2013 and submitted to Parliament for approval on 10 April 2014. Both the IRS and the DoJ considered the signing of the agreement as a positive signal with regard to dealing with the past.
- On 29 May 2013, the Federal Council approved a bill for the attention of Parliament enabling banks to reach an agreement with the DoJ to put the past to rest. This solution

made provision for banks that wish to resolve their relationship with the US authorities to be able to do so directly with the DoJ within a specified framework.

- On 19 June 2013, Parliament rejected a bill that would have allowed banks to participate in the US programme. At the same time, the National Council and Council of States nonetheless each approved an identical statement in which they concluded that Swiss banks should put the past to rest in the tax dispute with the United States. In the statement, they recognised the need to find a swift solution and conveyed the expectation that the Federal Council should take every measure within the scope of existing law to enable banks to cooperate with the DoJ.
- On 3 July 2013, the Federal Council set out the parameters for Swiss banks' cooperation with the US authorities to resolve the tax dispute within the framework of existing Swiss law. On this basis, banks can request individual authorisation based on Article 271 of the Swiss Criminal Code.
- In Washington on 29 August 2013, Switzerland and the United States signed a joint statement to put an end to banks' prolonged tax dispute with the United States. The solution defines the framework for banks' cooperation with the US authorities. It respects Switzerland's legal system and sovereignty.
- The DoJ commented on the programme in a [publication](#) dated 5 November 2013.
- Category 2 banks that had to have assumed they had violated US law had until 31 December 2013 to request a non-prosecution agreement from the US authorities.
- Credit Suisse entered into an agreement with the DoJ on resolving past issues on 19 May 2014.
- In a [publication](#) dated 5 June 2014, the DoJ extended various deadlines for the US programme.
- Category 2 banks had to implement the programme by 30 June 2014.
- Category 2 banks had to disclose taxed accounts by 31 July 2014.
- Category 2 banks had to report the clients participating in the IRS disclosure programme by 15 September 2014.
- Category 3 and 4 banks had until 31 December 2014 to request a non-target letter from the US authorities.
- By 27 January 2016, all Swiss banks in category 2 of the US programme had concluded a Non-Prosecution Agreement (NPA) with the DOJ in order to resolve the tax dispute with the United States. [The NPAs can be consulted on the website of the DOJ.](#)