

# UBS Update on bank client confidentiality: Implications of recent developments

On 13 March, Switzerland declared that it will adopt the OECD standards regarding the exchange of information upon request in tax matters. It is a global standard, recently also adopted by all major offshore financial centers, including Singapore, Hong Kong, Luxembourg, Liechtenstein and Monaco. The protection of the legitimate right to privacy of our clients will remain intact.

- The protection of the legitimate right to privacy of our bank clients will remain intact -- as declared by the Swiss government. UBS emphatically supports this position.
- Switzerland is adopting an emerging global standard. Switzerland repeatedly said that a "level-playing field" with other financial centers is paramount.
- Switzerland has declared that it will not adopt the automatic exchange of information nor allow for unspecific "fishing expeditions" by foreign authorities. It will permit the exchange of information with other countries in individual cases where a specific and justified request has been made.
- This is a political and legislative process that reflects the Swiss Federal Council's intention to improve cooperation with other governments in combating tax offenses and to initiate a dialog with non-EU and non-EFTA countries concerning taxation of interest income.
- UBS will respect this framework and supports Switzerland's intentions.
- Switzerland's main assets as a financial center - such as the broad skill base, the highly developed infrastructure, the political, economic and monetary stability, the protection of financial privacy, legal security, and the country's long tradition of wealth management, demonstrated by the professionalism and expertise of its banks - remain intact. The financial center's reputation will benefit from the adoption of global OECD standards.
- UBS's attractiveness as a service provider for wealthy clients also remains unchanged: We offer high-quality advice, products and services – regardless of where clients want to bank with us.
- This development does not lead to immediate changes. It will only become effective when the renegotiated double taxation agreements with foreign countries come into force. Where required, clients will have sufficient time to evaluate their financial position and their options.
- We will help our clients to make a well thought-out decision on where to bank, keeping their best interest at heart. We do not provide tax advice.

*More information on Swiss bank client confidentiality can be found at [www.ubs.com/bcc-info](http://www.ubs.com/bcc-info).*

## **"John Doe" summons of the US Internal Revenue Service (IRS):**

- The latest developments do not, in any way, weaken UBS's legal position relating to the "John Doe" summons of the IRS, which asks the court to order UBS to disclose the identities of 52,000 US clients to the IRS. This information is protected from disclosure by Swiss financial privacy laws.
- The latest developments demonstrate that this matter should be resolved through bilateral discussions between governments and not in a courtroom.

*More information on UBS's US cross-border case can be found at [www.ubs.com/crossborder-info](http://www.ubs.com/crossborder-info)*