

February 2003

We can now be reached on our direct lines:

Dr. Martin Maurer, Secretary General: 01 224 40 74
Raoul Wuergler, Deputy Secretary General: 01 224 40 72
Daniela Hess-Mühlbauer, Administration: 01 224 40 70

Topical

Switzerland/USA – Double Taxation Treaty

Switzerland and the USA abstain from reviewing the Double Taxation Treaty (DTT). They agreed to ratify a MoU which refers to practical examples such as the definition of the term "tax fraud and the like" in order to simplify the application of the DTT. Information: [SwissAmericanChamberofCommerce DTT](#) and [FDF PressRelease](#)

USA – Tax Amnesty

The US Internal Revenue Service (IRS) intends to liberate from the incrimination of tax fraud and similar penalties US-citizens who use "non-US offshore payment cards and other financial arrangements" in order to prevent income taxation. The ruling applies only to citizens revealing not later than 15 April 2003; taxes unpaid remain due. The IRS hopes to identify "Offshore promoters": [IRS NewsRelease 14/01/2003](#)

Germany – Cross border services

Germany intends to adopt legal regulation of cross border services. The project is primarily directed against non-regulated foreign based providers of financial services; it is, however, also said to contain protectionist measures. Especially US- and Switzerland-based banks would be concerned by the new ru-

ling which does not accept the country of origin supervision. Information: maurer@foreignbanks.ch

France – NRE

Since adoption of the Nouvelle réglementation économique (NRE) banks were contacted by French companies registered on the French stock exchange in order to reveal the identity of their French shareholders. The Swiss Bankers' Association will soon publish recommendations on how to proceed. Information: maurer@foreignbanks.ch

Italy – 2nd Tax Amnesty

The Italian Senate has adopted the act on the 2nd tax amnesty on 18 February 2003. The publication of guidelines governing the implementation is expected soon. Information: wuergler@foreignbanks.ch

Wertpapierverwahrungsgesetz

The Swiss Bankers' Association addressed the Federal Finance Department with a proposal of the act on Safeguarding of Securities. The Federal Finance Department will evaluate the proposal and determine further steps. Information: maurer@foreignbanks.ch

Investment Funds

Cost Transparency

The Funds market must enhance transparency. A Directive to be adopted by the Swiss Federal Banking Commission will transpose the principles governing cost transparency in fund management as adopted by the European Federation of Investment Funds

(FEFSI). Those require the revelation of the Total Expense Ratio (TER).

Information: www.fefsi.org \ FEFSI Standards \ Principles for the Transparency of Fees.

Transparency in the Fund Market TIF

The Project Group is working on the implementation of the steps II and III which are intended to provide

selected market surveys to the participants and co-ordinated collection and transfer of the statistical data required by the Swiss National Bank. Information: lars.habermann@swx.com

Ongoing consultations

SFBC Circular "Public Advertisement"

The Swiss Federal Banking Commission (SFBC) has published for commentaries the Circular on "Public Advertisement". The foreign banks have expressed their point in the comments formulated by the Swiss Bankers' Association and the Swiss Funds Association respectively. The Circular is criticised on several points. Information: maurer@foreignbanks.ch.

OTC-Master Agreement

The Swiss Bankers' Association will publish the OTC Master Agreement. The companies concerned have had the opportunity to express their points, the SBA does, however, not intend to modify the basics of the agreement. Information:

maurer@foreignbanks.ch

Internal

www.foreignbanks.ch

The Internet Site of the Association of Foreign Banks has now adopted the new Corporate Identity. The site with its extended functionalities and information is on. For commentaries: hess@foreignbanks.ch.

AGENDA

25 March: Finanzplanung, Finanzberatung, Fondsverkauf, F. Horlacher, Institut für Finanzplanung, Zurich;

26 March: Sorgfaltspflichtvereinbarung, M. Genoni, Bank Sal. Oppenheim jr. & Cie (Switzerland) Ltd., Zurich;

2 April: Round-table among representatives in Commissions and Committees, Zurich;

10 April: Die Staatsanwaltschaft stellt sich vor, Zurich;

14 April: Le bureau du procureur général se présente, Geneva;

25 April: L'ufficio del procuratore generale si presenta, Lugano;

27 June: Annual Conference with Ambassdor R. Ruggiero, Prof. B. Bernet and more, Geneva.

MEMBERS

AFFILIATION: Banca Euromobiliare (Suisse) SA, Lugano – FIDEURAM Bank (Suisse) SA, Lugano – Jefferies (Switzerland) Ltd, Zürich – UniCredit (Suisse) Bank SA, Lugano.

Information received

The Group of Thirty published a report "Global Clearing and Settlement - A Plan of Action". A summary of the 20 recommendations is published on www.issanet.org; the entire report can be ordered from www.group30.org

The European Federation of Funds and Investment Companies (FEFSI) and PricewaterhouseCoopers have published a survey on the creation of a pan-European market for investment funds: www.fefsi.org \ Press Releases (20.1.2003)

The Federal Administration presents its position with regard to the agreement on interest taxation met with the EU: www.europa.admin.ch \ Bilateral Negotiations II \ Press Releases \ 2003 \ 22.01.03

The EU-Directive on Investment Services aims at a protection of the investor and at facilitating the pan-European investment activities: http://europa.eu.int/comm/internal_market/en/finances/mobil/isd

The German Tax Authorities (Bundesministerium der Finanzen) has published a Press Release on the German Tax Amnesty: <http://www.bundesfinanzministerium.de/Steuer-und-Zoelle/aktuell-484.16921/Eine-Bruecke-zur-Steuererlichkeit.htm>