

## How to Open a Secret Account in Switzerland

By Paul Gibson



Wouldn't you want to know how to create your own "tax haven"? This week we take a look at how to open those coveted secret Swiss bank accounts and maybe even a business or two in the Cayman islands...Why is Switzerland so special? How do these people get away with murder while the rest of us would surely be prosecuted for tax evasion?

So what's the secret? You can actually open a Swiss bank account for as low as 80€. Sound like a trap? It's actually not. Foreigners can open up what they call "offshore bank accounts" in foreign countries and enjoy all sorts of advantages, such as 100% privacy and financial independence. These accounts are only open to non-residents in a foreign country.

That sounds really good, but why would you want your financial records to be secret or private? That's what public authorities want to know! And the answer they're getting is that only criminals are interested in secret or private bank accounts. So now Switzerland and the US, for example, have signed a treaty (the Swiss Treaty) which waives these "bank

account secrecy" laws that protect supposed "secret accountholders" and forfeits all of their records to the authorities to be closely examined or scrutinised. Funds that are considered to be part of any money laundering or tied to criminal activities are easily frozen and their assets forfeited. Sure, you may still want to open a bank account in Switzerland, especially for tax reasons, but nowadays banks in Switzerland can not offer any specific guarantee as to the extent your account will be protected.

There are however, some major differences between your account at BBVA, Santander or Banco Popular and an account with any Swiss Bank. One major difference is that the right to privacy in Switzerland is certainly more protective of the individual or business accountholder. A Swiss bank must abide by Swiss law which binds them on three levels: bankers are the ones in charge of protecting privacy; they are also considered to have an "agency relationship" with their accountholders, much like a doctor/patient relationship requiring confidentiality; and finally, Swiss law outlines the duties and obligations of both accountholders and banks. All of these differences arise from differences between the civil law (in Switzerland) and common law, which is prevalent in most countries.

Swiss banks have won a reputation of their own. They were considered to be the protectors of German Jews during World War II, for example. However, Switzerland has also been rumoured to have "bought their freedom" from Germany under Hitler. Whatever the case, their world renown as a Secret Banker still holds true today.

But one of the most interesting advantages to holding a Swiss bank account is still the absence of any capital gains tax! So next time you want to buy some extra shares in Telefonica, do it from your "secret" Swiss account at Credit Suisse! Don't worry, no one will ever find out... I'll keep it a secret...I promise!