Comparison with the Swiss disclosure regime

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Switzerland offers a penalty-free voluntary disclosure once in a lifetime under Art. 175 para. 3 of the Direct Federal Tax Act, provided the authority has no knowledge of the evasion, the taxpayer cooperates fully and makes a serious effort to pay. The back taxes and interest for up to ten years are due but no penalty is charged.[1] Singapore's programme charges 5 per cent per annum and is available repeatedly. Switzerland's disclosure covers wealth tax as well, which for a crypto holder is often the larger exposure. Singapore has no wealth tax to disclose. Switzerland's prosecuting authority for tax fraud is the cantonal administration with the Federal Tax Administration's special investigations division for serious cases, while Singapore's is IRAS itself with the Attorney-General's Chambers prosecuting.

Point	Singapore	Switzerland
Programme basis	IRAS e-Tax Guide (administrative)	Art. 175 para. 3 DFTA, Art. 56 para. 1bis THA (statutory)
Availability	Repeatedly, if conditions met	Once in a lifetime penalty-free; later disclosures at one-fifth penalty

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Point	Singapore	Switzerland
Penalty	Nil within grace year; 5 % per annum after	Nil (first disclosure)
Years covered	Up to the limitation period (4 years; unlimited for fraud)	Up to 10 years back taxes plus interest
Taxes covered	Income tax, GST, withholding, stamp duty	Income and wealth tax, federal and cantonal
Condition of no prior knowledge	Yes (no audit, no third-party information)	Yes
AML consequence	Removes evasion predicate in practice	Removes qualified tax offence predicate
CARF deadline logic	Disclose before first exchange report (2027 or 2028)	Disclose before first exchange report (2028 at the earliest)

The common lesson is that the window for a clean disclosure in both hubs closes with the first CARF exchange. A client with undeclared digital assets on a foreign exchange has until the authority receives the report to act on his own initiative. After that date the Singapore programme still reduces penalties but the Swiss penalty-free disclosure is lost. The client in both places has moved from the category of the careless to the category of the caught.

Notes

1. Direct Federal Tax Act (DFTA; DBG), SR 642.11, Art. 175 para. 3 (penalty-free voluntary disclosure) and Art. 152 (limitation of back-tax proceedings); Tax Harmonisation Act (THA; StHG), SR 642.14, Art. 56 para. 1bis. ↩

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