Voluntary disclosure in Switzerland and Singapore

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Both jurisdictions reward a taxpayer who discloses undeclared income or assets before the authority finds them. Switzerland offers a one-time penalty-free voluntary disclosure under Art. 175 para. 3 DFTA and the corresponding cantonal provisions. The taxpayer pays back taxes and interest for up to ten years but no fine, provided the authority had no prior knowledge and the taxpayer cooperates fully and makes serious efforts to pay.[1] Singapore's IRAS Voluntary Disclosure Programme reduces penalties to nil for disclosures within one year of the statutory filing date. Thereafter the penalty is a flat five per cent a year of the tax undercharged, on condition that the disclosure is timely, accurate, complete and self-initiated.[2] Undeclared crypto is the most common subject of such disclosures in both places since 2021.

Phase	Switzerland	Singapore
1. Fact-finding	Reconstruct wallet and exchange history for up to ten years; value at year-end FTA prices for wealth tax; identify income events	Reconstruct history for the open years (generally four, longer for fraud); classify gains as capital or revenue; identify income events

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Phase	Switzerland	Singapore
	(staking, airdrops, mining) and trader-status risk	
2. Eligibility	Confirm no prior knowledge of the authority, first disclosure by this taxpayer, full cooperation possible	Confirm self-initiated disclosure before IRAS query or audit notice; confirm completeness
3. Filing	Written disclosure to the cantonal tax administration with complete documentation; amended returns for each year	Disclosure through myTax Portal or written submission with amended returns and computations
4. Assessment	Back taxes for up to ten years plus late interest; no fine; AHV contributions if trader status is found	Tax undercharged plus penalty of 0 % (within one year) or 5 % a year; no prosecution for the disclosed matters
5. Duration	3–12 months depending on the canton and the volume	3–9 months
6. Professional costs	CHF 15,000–60,000 for reconstruction and filing; forensic accounting extra	S$ 10,000–50,000; forensic accounting extra

The reconstruction phase is the costly one in both countries. A taxpayer with a decade of activity across several exchanges, some of which no longer exist, may be unable to prove acquisition costs. Both administrations then apply estimates that favour the treasury. The practical advice is to disclose as soon as the problem is identified. The penalty-free window in Singapore and the no-prior-knowledge condition in Switzerland are both lost by delay. The CARF exchanges beginning in 2027 and 2028 will moreover supply the authorities with the knowledge that destroys eligibility.[3]

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Cross-border perspective

A taxpayer who has lived in both countries has two disclosures to make. The order matters. Disclose first in the jurisdiction where the risk of discovery is higher and the penalty regime harsher, which for undeclared wealth is usually Switzerland, because wealth tax arrears accumulate yearly and the cantonal administrations receive CRS data today. Then disclose in Singapore, where the income-only system means that many years produce no tax at all if the holdings were capital. The Swiss disclosure should not reference the Singapore position and vice versa beyond what each authority needs, because the two administrations exchange information on request under Art. 25 of the double tax agreement.

Notes

1. DFTA Art. 175 para. 3 and Art. 181a (companies); THA Art. 56 para. 1bis; see Part G, Chapter VIII. ↩
2. IRAS e-Tax Guide, IRAS' Voluntary Disclosure Programme, as updated; Income Tax Act 1947, ss. 95 and 96 (penalties); see Part M, Chapter VIII. ↩
3. The interaction of CARF reporting with voluntary disclosure eligibility is discussed in Part G, Chapter VII and Part M, Chapter VII. ↩

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