

MEMORANDUM OF UNDERSTANDING re. pension schemes

Based on Article 24 of the Convention between the United Kingdom of Great Britain and Northern Ireland (“United Kingdom”) and the Swiss Confederation (“Switzerland”) for the avoidance of double taxation with respect to taxes on income of 8 December 1977 (“the Convention”), the competent authorities have reached the following mutual agreement regarding the term “pension scheme”.

It is understood that the term “pension scheme” as referred to in the Exchange of Notes of 26 June 2007 in relation to paragraph 1 of Article 4 of the Convention and in sub-paragraph (a) (ii) of paragraph 2 of Article 10 of the Convention includes any plans and schemes covered by:

- (a) in the case of Switzerland
 - (i) the Federal Act on old age, widows’ / widowers’ and orphans’ insurance, of 20 December 1946 (Bundesgesetz über die Alters- und Hinterlassenenversicherung / Loi fédérale sur l’assurance-vieillesse et survivants / Legge federale su l’assicurazione per la vecchiaia e per i superstiti);
 - (ii) the Federal Act on invalidity insurance of 19 June 1959 (Bundesgesetz über die Invalidenversicherung / Loi fédérale sur l’assurance-invalidité / Legge federale su l’assicurazione per l’invalidità);
 - (iii) the Federal Act on supplementary pensions in respect of old age, widows’ / widowers’ and orphans’ and invalidity insurance of 19 March 1965 (Bundesgesetz über Ergänzungsleistungen zur Alters-, Hinterlassenen- und Invalidenversicherung / Loi fédérale sur les prestations complémentaires à l’assurance-vieillesse, survivants et invalidité / Legge federale sulle prestazioni complementari al l’assicurazione per la vecchiaia, i superstiti e l’invalidità);
 - (iv) the Federal Act on old age, widows’ / widowers’ and orphans’ and invalidity insurance payable in respect of employment or self-employment of 25 June 1982 (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge / Loi fédérale sur la prévoyance professionnelle vieillesse, survivants et invalidité / Legge federale sulla previdenza professionale per la vecchiaia, i superstiti e

l'invalidità), including the non-registered pension schemes which offer professional pension plans, and

- (v) the forms of individual recognised pension schemes comparable with the professional pension plans, in accordance with article 82 of the Federal Act on old age, widows' / widowers' and orphans' and invalidity insurance payable in respect of employment or self-employment of 25 June 1982 (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge / Loi fédérale sur la prévoyance professionnelle vieillesse, survivants et invalidité / Legge federale sulla previdenza professionale per la vecchiaia, i superstiti e l'invalidità);

- (b) in the case of the United Kingdom

Pension schemes (other than a social security scheme) registered under Part 4 of the Finance Act 2004.

“Pension scheme” includes pension funds or pension schemes arranged through insurance companies and unit trusts where the unit holders are exclusively pension schemes.

The competent authorities may agree to include in the above lists pension schemes of identical or substantially similar economic or legal nature which are introduced by way of statute or legislation in either State after the date of signature of this Memorandum of Understanding. Such inclusions shall be made based on mutually agreed amendments to this Memorandum.

Done in duplicate at London this 12th day of February 2008 in the English and German languages, both texts being equally authoritative.

For the United Kingdom:

For Switzerland:

Douglas Rankin

Jürg Giraudi