

SWISS CONFEDERATION  
KASPAR VILLIGER  
FEDERAL COUNCILLOR  
HEAD OF THE FEDERAL  
DEPARTMENT OF FINANCE

Berne, January 24, 2003

Mr. Kenneth W. Dam  
Acting Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue  
Washington, D.C. 20220  
USA

Dear Mr. Secretary

I am very pleased with the report that the technical discussions held between representatives of the Federal Tax Administration and of the United States Treasury, respectively, regarding the application of Article 26 on Exchange of Information of the Income Tax Convention between the Swiss Confederation and the United States of America, signed on October 2, 1996, have led to the successful conclusion of a mutual agreement, signed on January 23, 2003. This arrangement is important to the administration and enforcement of the tax laws of each of our countries, and complements the substantial cooperation between our two countries to combat criminal activities in other fields such as money laundering and terrorism financing.

It is important to build upon this success and we must maintain a dialogue with a view to monitoring and improving the functioning of the present version of the Convention. In addition we will continue to explore ways to improve the cooperation between our two countries. Successful renegotiation of the Convention could enhance the economic relationship between our two countries.

We look forward to continuing to work together to improve the cooperation between our two countries.

Sincerely,

Kaspar Villiger