

## EU tax directive DAC6

### Why Switzerland is to be considered in DAC6 reporting

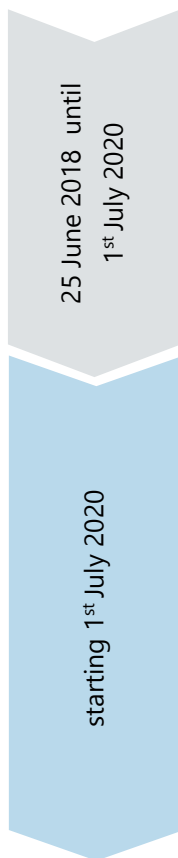
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With Directive 2011/16/EU (known as DAC6), the EU aims to further increase transparency in tax matters and to combat aggressive tax planning. Cross-border arrangements concerning more than one EU state, as well as those concerning an EU state and a non-EU state, must be disclosed in the respective EU state.

The reporting obligations apply primarily to intermediaries (e.g. tax advisors, lawyers, banks, etc.), with secondary obligations falling on the taxpayers themselves. The reporting is required for arrangements that were in place as of **25 June 2018**.

What does this mean for Swiss based companies and international groups with fiscal presence in Switzerland?

## Overview



Typical Swiss structures that may trigger a reporting obligation by 31<sup>st</sup> August 2020 (arrangement in place before 1<sup>st</sup> July 2020) at the latest:

- Principal companies and finance branches
- All cross-border arrangements involving companies with special tax regimes (holding, mixed company, domiciliary company)
- Reorganization of financing and IP structures

Typical cross-border arrangements with Swiss based companies, which, if not already disclosed by 31<sup>st</sup> August 2020 (arrangements concluded after 1<sup>st</sup> of July 2020), must be reported within 30 days:

- Patent box
- Interest on loans based on "safe haven rules" of the Swiss Federal Tax Administration
- Identical contracts concluded with several subsidiaries (concerning loans, management/service fees, license fees, etc.)
- Postings of employees to and from Switzerland

In Switzerland, neither the intermediaries nor the taxpayers are required to disclose, hence the reporting obligation **ALWAYS falls on the EU based counterparty** to the arrangement.

## Your contact



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Andrea Baetscher advises national and international companies and individuals on complex local and cross-border tax issues. Based on the developments in the international tax environment, she has also deepened her knowledge in the areas of tax accounting and reporting of tax matters as well as tax risk management.