

The Automatic Exchange of Information (AEOI): Switzerland

As the world becomes increasingly globalised and cross-border activities become the norm, tax administrations need to work together to ensure that taxpayers pay the right amount of tax to the right jurisdiction. A key aspect for making tax administrations ready for the challenges of the 21st century is equipping them with the necessary legal, administrative and IT tools for verifying compliance of their taxpayers. Against that background, the enhanced co-operation between tax authorities through AEOI is crucial in bringing national tax administration in line with the globalised economy.

The Common Reporting Standard (CRS), developed in response to the G20 request and approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

Cross-border tax evasion should be prevented with the help of the new global standard for the automatic exchange of information (AEOI). To date, around 100 countries, including all major financial centres and Switzerland, have declared their intention to adopt the standard.

Switzerland has signed an agreement for the introduction of the automatic exchange of information with the following partner states:

Partner state	Signature	Approval*	In force
Andorra	01.12.2016**		01.01.2018
Argentina	16.11.2016		01.01.2018
Australia	03.03.2015	15.076	01.01.2017
Barbados	01.12.2016**		01.01.2018
Bermuda	01.12.2016**		01.01.2018
Brazil	18.11.2016		01.01.2018
British Virgin Islands	01.12.2016**		01.01.2018
Canada	05.02.2016	16.057	01.01.2017
Cayman Islands	01.12.2016**		01.01.2018
Chile	06.12.2016		01.01.2018
EU***	27.05.2015	15.081	01.01.2017
Faroe Islands	01.12.2016**		01.01.2018
Greenland	01.12.2016**		01.01.2018
Guernsey	20.01.2016	16.057	01.01.2017
Isle of Man	20.01.2016	16.057	01.01.2017
Iceland	20.01.2016	16.057	01.01.2017
India	22.11.2016		01.01.2018
Israel	01.12.2016		01.01.2018
Japan	29.01.2016	16.057	01.01.2017
Jersey	20.01.2016	16.057	01.01.2017
Mauritius	01.12.2016**		01.01.2018
Mexico	18.11.2016		01.01.2018
Monaco	01.12.2016**		01.01.2018
New Zealand	02.12.2016		01.01.2018
Norway	20.01.2016	16.057	01.01.2017
San Marino	30.11.2016		01.01.2018
Seychelles	01.12.2016**		01.01.2018
South Africa	24.11.2016		01.01.2018
South Korea	19.02.2016	16.057	01.01.2017
Turks and Caicos Islands	01.12.2016**		01.01.2018
Uruguay	18.11.2016		01.01.2018



* Status of the debate in the Parliament

**not signed yet, in consultation until 15 March 2017

***The AEOI agreement with the EU applies to all 28 member states and also to Gibraltar

The legal foundations for introducing the AEOI (the administrative assistance convention, the MCAA and the bill for a federal act on the international automatic exchange of information in tax matters) were submitted to the Federal Assembly for approval in June 2015. The three bills were passed in the final vote in December 2015 and should come into force on 1 January 2017 so that data can be collected from 2017 and exchanged from 2018.

On 1 December 2016, the Federal Department of Finance (FDF) initiated the consultation on introducing the automatic exchange of information in tax matters with a series of other countries. The AEOI with these countries should enter into force on 1 January 2018 so that data can start to be exchanged in 2019. Thereafter, the corresponding federal decrees will be submitted to Parliament for approval.

PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.

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