

Vast know-how, applied Concisely, Conscientiously and Pragmatically for entrepreneurs, SMEs and private individuals!

What's of importance to you, in a nutshell:

Official reference interest rate for rental relationships: **1,75%** (2 December 2023)

Safe haven interest rates for advances/loans expected to remain unchanged; here, an overview of the key rates for CHF-based arrangements:

- to participants / related parties (financed out of shareholders' equity) **1,50%**
- from participants / related parties (working capital loans to operating companies) **3.75%**

The FTA Circulars (in German) will soon be available at www.estv.admin.ch for CHF and for FX.

Occupational Pensions (BVG): Minimum interest rate stays at **1.25%**.

- **Non-payment of public-law debts can lead to bankruptcy**

From January 1, 2025, outstanding social security contributions, taxes, fines and compulsory accident insurance premiums of debtors entered in the commercial register must be enforced by means of debt enforcement in bankruptcy. Previously, the compensation offices and tax offices were able to collect outstanding amounts via debt enforcement for seizure, while the debtor could continue to do business. With the new mandatory enforcement via bankruptcy proceedings, all of the debtor's assets are seized to satisfy the claim and then liquidated. If the company or self-employed person does not pay the amount after being requested to do so by the court, the court will initiate bankruptcy proceedings and place the debtor in liquidation. This means that in future it may be worthwhile for private creditors to wait until the public creditor demands enforcement in order to save the costs of an unfavorable bankruptcy petition. For debtors entered in the commercial register, it will be dangerous in future if public claims are deliberately not paid, as bankruptcy could be imminent.

- **Expense regulations**

It may not always make sense to introduce tax-approved expense regulations, but this is particularly true for medium-sized companies. The Swiss Tax Conference (SSK) has published new templates on its website www.ssk-csi.ch that will be valid from May 1, 2024. Unfortunately, SMEs can hardly avoid adopting these templates, which have been elevated to "soft law". Advantage: Rapid approval by the cantonal tax authorities. Disadvantage: Little scope for individual expense regulations, especially in connection with lump-sum expenses. For small companies, expense regulations are usually not necessary, but a fair approach to expenses makes sense. This is part of a convincing corporate culture.

- **Statutes for AG and GmbH: need a check?**

The two-year transition period under the new company law expires at the end of the year. This could be an incentive to critically review the often neglected articles of association. The following points are worth noting: company purpose, restriction on share transferability, invitation to the general meeting now also permitted electronically, option of holding virtual or simultaneous general meetings, various options for board of director meetings (not exhaustive). Derived from the new legal basis and the articles of association, organizational regulations usually also need to be updated.

- **Beneficiary status of the cohabiting partner**

In cohabitation, the partner of the deceased person has no legal entitlement to AHV, accident insurance or pension fund benefits. However, it is possible to register the partner as a beneficiary with the pension fund, whereby a cohabiting partner's pension or a one-off lump-sum death benefit is paid. However, the regulations of the pension fund must provide for this beneficiary option. Depending on the pension fund, one or more conditions must be met, such as: the partnership must have existed for at least five years at the time of death, the surviving partner was substantially supported by the deceased or the surviving partner has to care for a mutual child. The pension fund regulations may also require a written declaration (declaration of beneficiaries) to be made to the pension fund during the deceased's lifetime. Benefits can only be claimed once this formal requirement has been met, even if the cohabitation has already existed for more than five years. A declaration of beneficiary status can be submitted to the pension fund even if the requirements for beneficiary status have not yet been met. It is important that the conditions are met by the time of the insured person's death at the latest and that the declaration is made in accordance with the pension fund's requirements (a simple e-mail is not sufficient!).

Life partners can also be beneficiaries of pillar 3a if there is no spouse or children. This may be possible after less than five years of cohabitation. This beneficiary status requires a designation in the will of the respective partner and notification of the 3a pension foundation.

- **Tax evasion by lottery millionaires will be prevented**

This year, the Federal Assembly approved a motion according to which lottery winners will in future be taxed where they were resident at the time of winning the lottery. This means that the option of moving to a more tax-efficient canton/commune before the end of the year in order to pay less tax on taxable winnings will no longer exist in a few years. An amendment to the law is currently being drafted, although implementation may take up to two years.

- **And finally: snapped up in the Neue Zürcher Zeitung:**

"...In Hangzhou, China, people work 2540 hours a year. In Austria, only 1650 hours (aDVISE: probably a little more in Switzerland). What's more, labor in China still only costs half as much as in Europe...". We really do live on an island of prosperity. Let's hope it's not the future Atlantis!

YES, WE CAN!

Besides German, we service in ENGLISH – Gérations en FRANÇAIS – Gestiones en ESPAÑOL

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