

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: **1.25%** (3 March 2020)
→ **The expected reduction from 1.5% to 1.25% has occurred!**

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

- to participants / related parties (financed out of shareholders' equity) **0.25%**
- from participants / related parties (working capital loans to operating companies) **3.00%**

The entire renewed Circular (in German) is available at www.estv.admin.ch

- **We say YES to the SwissCovid App and contact tracing**

We unconditionally support these federal government measures to contain COVID-19. Hence, we encourage our team, as well as you and our entire network of contacts, to download this app to their personal mobile phone! For more information see: www.bag.admin.ch.

- **Prolongation of short-time work beyond 1 September 2020**

The emergency measures instituted under the COVID 19 Ordinance will cease on 31 August 2020. This means that the associated right to claim compensation for short-time work will also end. However, the Federal Council has extended the maximum period for receiving such compensation, namely from twelve to eighteen months. In other words, short-time work compensation for the affected personnel can be requested to continue even after 1 September 2020. **This however requires that you, as the employer, submit a new application!** The application must be received at least 10 days prior to September 1. Further steps towards normalising the short-time work compensation procedure include the reintroduction of a waiting period of one day, which is to be financed by the employer, and the consideration of overtime hours in the calculation of compensable loss of work.

- **Swiss Company Law is being modernised!**

On 19 June 2020, after decades of preparatory work, Swiss Parliament adopted its "major" revision of the Swiss Company Law. Amongst other things, it modernises equity capital structure, corporate governance, shareholders' rights, executive compensation, bankruptcy/reorganisation law and gender representation, all whilst retaining the proven core principles of the original Act. Its actual entry into force is not expected to come before mid-2021.

In this regard, we remind you of the abolition of bearer shares, which is already being put into action (see INPUT No. 1 / 2020).

- **Organisational regulations for AGs and GmbHs**

The Board of Directors acts as a governing body within the framework of meetings and by means of circular resolutions. Unless the Articles of Incorporation provide otherwise, each member of the Board of Directors is in principle entitled to represent the company externally (Arts. 716 – 718a SCO).

The Articles of Incorporation may authorise the Board of Directors to delegate all or part of the management of the company to individual Members or third parties (in particular, senior executives) in keeping with the company's Rules of Organisation.

In fact, this allocation of tasks is often practised, but the Articles of Incorporation include no such provision and hardly any Rules of Organisation (= Organisationsreglement) have been formally adopted. So in the sense of a “hygiene measure”, a responsible board of directors, as the operational management body, would do well to regulate and monitor a binding organizational structure in a clear set of rules. Such Rules of Organisation – in contrast to what frequently are large-scale models – can also be drawn up in a concise and SME-friendly manner!

The same applies to GmbHs (Arts. 810 – 814 SCO).

- **Wage equality analysis as of 1 July 2020**

The principle of equal pay for men and women has been couched in the Federal Constitution since 1981 (Art. 8 para. 3 SFC). The Equal Opportunities Act (EOA) now prescribes that a wage equality analysis be conducted at companies with 100 or more employees (i.e. actual headcount, not just FTEs!). This must be carried out for the first time by June 2021 and subsequently reviewed by a qualified auditor before the end of 2022. Employees and shareholders must then be informed of the results of the analysis by June 2023.

How fortunate that this rule does not apply to most SMEs! For decades, we have not observed any sort of systematic wage discrimination through our broad insight into companies from numerous sectors.

Also fortunate: Thanks to the so-called “sunset clause”, the related provisions will no longer be applicable after 1 July 2032!

- **Employee liability**

Employees can only be held liable for damages they have caused intentionally or through gross negligence. Nor may this liability issue be particularised more stringently in employment contracts. However, if a case of liability is clearly present, the damage compensation must be reported immediately. Otherwise, the courts will deem the matter a waiver of damages on the part of the employer.

As a proprietor, you can also take a proactive, good-faith approach to preventing damage and dealing with it: In the employment contract or target discussion, an agreement can be reached on a bonus on top of the employee’s salary for the careful completion of work – for example, if there are no cashbox shortfalls or if a chauffeur drives accident-free.

And another basic principle: Business liability insurance as a way of protecting against third-party claims!

- **Benefits agreement , last will and testament, patient decree**

COVID-19 has shown that disaster can arise out of nowhere at the blink of an eye. We should not let this frighten us. Things have always been that way. Nonetheless, it is reassuring to know that in good times one has already given thought to existential matters and taken precautions that address one’s own needs and wishes, those of one’s family and, under circumstances, the things that could impact one’s business operations. Important: These aspects should be reassessed periodically!

P.S.: We service in ENGLISH – Géstions en FRANCAIS – Gestiones en ESPAÑOL

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