

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)
→ **No further reductions expected before June 2023 (Source: ZKB.ch)**

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 FTA Circulars (in German) are available at www.estv.admin.ch for CHF and for FX.

- **Annual general meetings in 2021**

The annual general meeting (AGM) season has started again, yet the restrictive Covid regulations on large gatherings remain in force! The Covid-19 Act and related implementing ordinance allow for shareholders to exercise their rights via written communication or through electronic participation in the AGM. But a general meeting still needs to be held, even without the physical presence of shareholders/partners/association members, since circular resolutions are not provided for in the Swiss Code of Obligations (SCO), nor in the Covid-19 decrees. Shareholders must still be able to assert their rights either by means of advance submission of their written votes on the agenda items; by having a personal representative or institutional proxy vote on their behalf at the AGM; or by participating in the AGM electronically. The latter may take the form of a telephone or video conference. However, the specific arrangements for the meeting must be communicated in writing or published electronically at least four days before the actual event. The situation is different for a GmbH, where resolutions may also be passed in writing (Art. 805 para. 4 SCO).

- **Canton of Zurich to reduce tax on savings capital withdrawals as of 1 January 2022**

If you opt to have your savings capital paid out from a Pillar 2 (pension fund) or Pillar 3a (private, tax-advantaged retirement account), the withdrawn amount is taxed separately from your other income. For persons residing in the canton of Zurich, the capital withdrawal tax on larger amounts is considerably higher – sometimes even many times higher! – than in most of the other cantons. Although this tax rate will be significantly reduced as of next year, it will still be very, very high by comparison. Nevertheless, it might be worthwhile for you to plan any such withdrawal only after the start of the new year, especially if it is a sizeable sum!

- **VAT: turnover and input tax reconciliation – an annual obligation**

No more than 180 days after the close of their financial year, all entities subject to VAT must prepare an annual turnover and input tax reconciliation as part of their year-end accounting routine. The final accounts (balance sheet and income statement) are compared with the previously submitted VAT filings and any differences can be settled with the Federal Tax Administration within a further 60 days. The procedure for this reconciliation is essentially straightforward, but there are some tricky aspects – and, the FTA can qualify uncorrected errors as tax evasion punishable with a fine (Art. 96 in conjunction with Art 98 VATA).

In principle, the government's Corona measures – like other subsidies – have required that an input tax reduction be undertaken. However, in early May it was decided that all public sector Covid-19 relief funding (in particular, for hardship cases) does not necessitate an input tax reduction!

If you have already booked reduced input tax on Covid 19 contributions, the amount can be reversed by means of a correction or adjustment statement. Short-time work and compensation for loss of earnings are not considered subsidies and therefore never evoke an input tax reduction.

- **Veb.coach – guidelines for clubs/associations**

At veb.coach you can access a website of the Swiss Association for Accounting and Controlling that offers clubs/associations cost-free guidelines and useful links. The various guidelines cover a range of topics such as finance and accounting, legal issues, taxes and insurance. For interested association board members, this compendium of information is definitely worth a look. The brochures are available as PDF files.

- **New development in labour law: the entitlement to care-related leave**

Art. 324a SCO already regulates the employer's obligation to provide ongoing wage payments to employees who are prevented from working for reasons not attributable to themselves but nonetheless cannot fulfil their work obligations, or if doing so would be unreasonable. Since the beginning of the year, employees are now entitled to paid leave of up to 3 days per instance for the care of sick or injured relatives, e.g. children, spouses, life partners, parents and siblings (Art. 329h SCO and Art. 36 Labour Act). Absences of this nature are possible upon presentation of a doctor's certificate and are limited collectively to a maximum of 10 days per year. In the case of a sick life partner, the law stipulates that the shared household must have existed already for 5 years. From 1 July 2021, working parents who must attend to a child who is seriously ill or has suffered a serious accident may also take care-related leave of up to 14 weeks, provided that the employee is entitled to **maternity/paternity** compensation under Articles 16b-16m of the Salary Compensation Act (EOG). The parameters for serious health impairment are specifically laid out in the law and ensure that grievous ailments are distinguished from petty illnesses. Care-related leave shall also be granted if only one parent is employed or if one or both parents work part-time.

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

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