

Switzerland

1. Switzerland was first reviewed during the 2017/2018 peer review. This report is supplementary to Switzerland's 2017/2018 peer review report (OECD, 2018^[1]). The first filing obligation for a CbC report in Switzerland applies to reporting fiscal years commencing on or after 1 January 2018. Switzerland also allows Swiss MNE groups to file a CbC report on a voluntary basis, for reporting fiscal years beginning between 1 January 2016 and 31 December 2017 (i.e. "parent surrogate filing").

Summary of key findings

2. Switzerland's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[2]).

Part A: The domestic legal and administrative framework

3. Switzerland has primary and secondary law in place for implementing the BEPS Action 13 minimum standard establishing the necessary requirements, including the filing and reporting obligations.¹ No guidance has been published.

(a) Parent entity filing obligation

4. No changes were identified with respect to the parent entity filing obligation.

(b) Scope and timing of parent entity filing

5. No changes were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

6. No changes were identified with respect to the limitation on local filing obligation.

(d) Limitation on local filing in case of surrogate filing

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

8. No changes were identified with respect to the effective implementation.

Conclusion

9. There is no change to the conclusion in relation to the domestic legal and administration framework for Switzerland since the previous peer review. Switzerland meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

(a) Exchange of information framework

10. As of 31 May 2019, Switzerland has 63 bilateral relationships activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of information, Switzerland has taken steps to have QCAAs in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency, and appropriate use conditions.² Regarding Switzerland's exchange of information framework, no inconsistencies with the terms of reference were identified.

(b) Content of information exchanged

11. Switzerland has processes and written guidance in place to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

12. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the content of information exchanged. No concerns were reported.

(c) Completeness of exchanges

13. Switzerland has processes in place that are intended to ensure that reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it will exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

14. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the completeness of exchanges. No concerns were reported.

(d) Timeliness of exchanges

15. Switzerland has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

16. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the timeliness of exchanges. No concerns were reported.³ Switzerland reports that all of its exchanges were on time.

(e) Temporary suspension of exchange or termination of QCAA

17. Switzerland has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA. It has provided details in relation to these processes.

18. One jurisdiction provided peer input for the reviewed jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. No concerns were reported.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. Switzerland has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA

or that the other Competent Authority has caused a systemic failure. It has provided details in relation to these processes.

20. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. No concerns were reported.

(g) Format for information exchange

21. Switzerland confirms that it uses the OECD XML Schema and User Guide (OECD, 2017^[3]) for the international exchange of CbC reports.

22. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the format for information exchange. No concerns were reported.

(h) Method for transmission

23. Switzerland indicates that it will use the Common Transmission System to exchange CbC reports for the fiscal years beginning on or after 1 January 2018.

24. Switzerland is currently transmitting reports filed voluntarily via a web File Transfer Protocol service. It will only exchange reports with CTS Single Points of Contact (SPOCs) with which Switzerland has a QCAA in effect with respect to CbC reports. SPOCs have already been informed about this procedure and Switzerland has implemented an internal work instruction that describes in detail the different steps for the exchange process (i.e. reception, processing and transmission of CbC reports).

25. One jurisdiction provided peer input for the reviewed jurisdiction in relation to the method for transmission. No concerns were reported.

Conclusion

26. Switzerland has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. The CbC Reporting Group will monitor Switzerland to ensure that these processes continue to apply when it starts exchanging reports via the Common Transmission System in 2020. Switzerland meets all the terms of reference regarding the exchange of information.

Part C: Appropriate use

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. One jurisdiction provided peer input for the reviewed jurisdiction in relation to appropriate use. No concerns were reported.

Conclusion

29. Switzerland meets all the terms of reference relating to the appropriate use of CbC reports.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

Notes

¹ The Swiss Federal Act on the International Automatic Exchange of Country-by-Country Reports of Multinationals (“CbCR law”) being the Primary Law in Switzerland (see www.admin.ch/opc/fr/classified-compilation/20162186/index.html, accessed 5 November 2018), the Swiss Ordinance on the International Automatic Exchange of Country-by-Country Reports of Multinationals (“CbCR ordinance”) being the Secondary Law in Switzerland (see www.admin.ch/opc/fr/classified-compilation/20171498/index.html, accessed 5 November 2018 and the corresponding explanation report www.news.admin.ch/newsd/message/attachments/54040.pdf, accessed 5 November 2018).

² It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.

³ Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.



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