

BRIEFING JUNE 2023

# BRIEFING: SWITZERLAND IMPLEMENTS OECD MINIMUM TAX OF 15% FOR MULTINATIONAL ENTERPRISES

Today, Switzerland approved the introduction of the OECD/G20 minimum tax in a public vote. By means of a constitutional amendment, the basis was created to tax profits of Swiss companies and permanent establishments of multinational enterprises („MNE“) uniformly at an effective profit tax rate of 15% as of 1 January 2024.

## SCOPE

Multinational enterprises that have subsidiaries or permanent establishments („constituent entities“) in at least two different countries will fall within the scope of minimum tax if their consolidated worldwide turnover in two of the last four financial years amounts to at least EUR 750 million.

## CRITERIA

- > At least two constituent entities in two different jurisdictions; and
- > Consolidated worldwide turnover in two of the last four financial years amounting to at least EUR 750 million.

## WHAT WILL CHANGE?

According to current law, the financial statements of Swiss companies of MNE have had to be prepared under Swiss GAAP, with tax corrections being made in the tax balance sheet based on Swiss tax regulations. As of 1 January 2024, the determination of profits for each Swiss company of MNE within the scope of the minimum tax must additionally be determined according to an acceptable financial accounting standard (such as IFRS, US GAAP or Swiss GAAP FER) and tax adjustments must be made according to the OECD/G20 Global Anti-Base Erosion Model Rules („GloBE Rules“). The preparation of separate financial statements is expected to require significant resources.

If the minimum profit tax rate of 15% is not reached in the canton of residence of a Swiss constituent entity in accordance with the GloBE Rules, the difference to the minimum tax rate of 15% will be levied as a top-up tax as of 1 January 2024. The calculation is made for all Swiss constituent entities of one MNE on an aggregated basis (so-called jurisdictional blending).

The GloBE Rules, which differ significantly from the Swiss tax rules, may lead to the levying of a top-up tax even for companies domiciled in cantons with a statutory effective tax rate of over 15%.

## RECOMMENDATIONS FOR ACTION

It is advisable to establish the extent to which Swiss constituent entities of MNE will be affected by the new regulations in order to evaluate all possible planning options and to set up the necessary compliance measures. Particular attention should be paid to M&A transactions and restructurings, which may already have an impact on the determination of profits in accordance with the GloBE Rules applicable as of 1 January 2024.

Please get in touch with the tax team at Bär & Karrer AG for further information.

## AUTHORS



**Prof. Dr. Raoul Stocker**  
Partner  
P: +41 58 261 53 42  
raoul.stocker@baerkarrer.ch



**Susanne Schreiber**  
Partner  
P: +41 58 261 52 12  
susanne.schreiber@baerkarrer.ch



**Paolo Bottini**  
Partner  
P: +41 58 261 58 30  
paolo.bottini@baerkarrer.ch



**Christoph Suter**  
Partner  
P: +41 58 261 57 25  
christoph.suter@baerkarrer.ch



**Adrian Rüeegg**  
Associate  
P: +41 58 261 50 57  
adrian.rueegg@baerkarrer.ch



**Aron Liechti**  
Associate  
P: +41 58 261 52 49  
aron.liechti@baerkarrer.ch