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Switzerland

Susanne Schreiber & Kerim Tbaishat
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Overview of corporate tax work over the last year

Types of corporate tax work

M&A

After the mergers and acquisitions (M&A) market faced uncertainty at the beginning of 2020, previously suspended transactions were driven forward, resulting in 2021 M&A activity in Switzerland exceeding pre-pandemic levels to hit a record high.¹ The reported transaction value in the first half of 2021 amounted to USD 61.3bn, which is almost on a par with the previous year's entire transaction volume of USD 63.1bn. The total transaction volume for 2021 almost tripled from USD 63.1bn to USD 169.6bn aggregated in 604 transactions.

Almost half of that amount was attributable to the 10 largest M&A deals, of which six were concluded in the last quarter of 2021 including the three largest transactions in terms of deal value, such as Novartis Holding's sale of a 33% stake in Roche Holding Ltd. valued at USD 20.8bn – the largest M&A transaction in 2021 in Switzerland. Notably, Swiss companies again acquired significantly more foreign companies than *vice versa*: outbound transactions accounted for 46% (279 transactions), whereas only 23% were inbound transactions (141 transactions). The key transaction industries include (1) technology, media and telecommunications (17.4%), (2) industrial markets (16.6%), and (3) pharmaceuticals and life sciences (14.4%).

In conclusion, the M&A market in Switzerland has recovered gloriously and the forecasts for 2022 are very positive.

IPOs/SPACs

Compared to 2020, more economic stability seems to have been achieved, resulting in increasing confidence in listings. During 2021, 13 Swiss companies, with an aggregate issue volume of almost USD 4bn, listed their shares, but only five companies were listed in Switzerland (PolyPeptide Group Ltd., Montana Aerospace Ltd., medmix Ltd., SKAN Group Ltd., and Kursaal Bern Ltd.). In 2022, by the end of April, another two companies had listed their shares in Switzerland (Xlife Sciences Ltd. and Talenhouse Ltd.). It is striking that several Swiss life sciences companies had themselves listed abroad this year, where capital is sometimes more readily available than in Switzerland. This trend is to be closely monitored.

On 6 December 2021, the special purpose acquisition companies (SPACs) framework of the Swiss Stock Exchange (SIX) entered into force, allowing SPACs to be listed and traded on the SIX. On 15 December 2021, VT5 Acquisition Company Ltd. became the first SPAC initial public offering (IPO) in Switzerland.²

Tax litigation

Switzerland continues to receive a large number of requests for assistance under the double tax treaties (DTTs) and agreements on the exchange of information, and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Most of the requests for assistance under the DTTs from foreign authorities were received from France, Spain, Germany, Austria and the Netherlands. With respect to requests received by US tax administration IRS under FATCA, in 2021, numerous FATCA group requests led to a significant increase in the number of incoming administrative assistance requests compared to the previous year.

Significant deals and themes

M&A

The following deals stood out in the time period between May 2021 to April 2022. All deals required tailored corporate tax advice for the transaction itself, the integration or the debt financing:

- **Combination of Roivant Sciences with Montes Archimedes Acquisition Corporation:** On 3 May 2021, Roivant Sciences Ltd., a biopharmaceutical and healthcare technology company, and Montes Archimedes Acquisition Corp. (MAAC), a SPAC sponsored by Patient Square Capital, announced that they had concluded a definitive business combination agreement. As of closing dated 1 October 2021, outstanding shares and warrants of MAAC were exchanged for newly issued Roivant Sciences shares and warrants.
- **Deutsche Börse acquires majority stake in Crypto Finance:** In July 2021, Deutsche Börse Ltd. acquired a majority stake in Crypto Finance Ltd., a financial group under consolidated Swiss Financial Market Supervisory Authority (FINMA) supervision that offers trading, storage, and investment in digital assets to institutional and professional clients.
- **Hitachi acquires GlobalLogic:** On 14 July 2021, Hitachi Ltd. announced that, through its US subsidiary Hitachi Global Digital Holdings LLC, it acquired 100% of the outstanding shares of the GlobalLogic group. The transaction values GlobalLogic at an enterprise value of USD 9.6bn.
- **On Holding performs IPO on the NYSE:** On 17 September 2021, On Holding Ltd., a Swiss-based athletic shoe and performance sportswear company, announced a successful IPO on the New York Stock Exchange (NYSE). The offering comprised 31,100,000 firm shares, of which 82% were offered by On Holding and 18% were offered by the selling shareholders, and an overallotment option granted to the underwriters of up to additional 4,665,000 shares.
- **Novartis sells its Roche stake:** On 3 November 2021, Novartis Holding Ltd. agreed to sell 53.3m Roche bearer shares to Roche Holding Ltd. for a consideration of USD 20.8bn. Novartis acquired the stake between 2001 and 2003 for approximately USD 5bn. The investment has delivered dividends in excess of USD 6bn to date.
- **Nestlé sells L'Oréal shares back to L'Oréal:** On 7 December 2021, Nestlé Ltd. agreed to sell 22.26m L'Oréal shares to L'Oréal Ltd., reducing its stake to 20.1%. Nestlé retained its two positions on L'Oréal's Board of Directors.
- **Vifor Pharma tender offer:** On 14 December 2021, global biotechnology leader CSL Limited, based in Australia, announced a tender offer for the acquisition of all publicly held shares in Vifor Pharma Ltd., a global specialty pharmaceutical company with leadership in iron deficiency, nephrology and cardiorenal therapies. The aggregate equity for Vifor Pharma values at USD 11.7bn.

- **MSC Group submits offer for acquisition of Bolloré Africa Logistics:** On 20 December 2021, the Bolloré Group announced it had received an offer from the Italian-Swiss MSC Group (Mediterranean Shipping Company), the world's largest shipping company, to acquire its African transport and logistics operations. The offer was worth USD 6.4bn. On 31 March 2022, the parties confirmed that they had finally entered into a share purchase agreement. Completion remains subject to the receipt of approvals including from the relevant competition authorities.

Financing

- **Central American Bank for Economic Integration places USD 150m social bonds:** In the fall of 2021, the Central American Bank for Economic Integration (CABEL) issued its first social bond on the SIX using a book-building mechanism under its Medium-Term Note Program. This issuance marked the first social bonds issued on the SIX.
- **Axpo Holding enters into sustainability-linked credit:** At the beginning of February 2022, Axpo Holding Ltd. entered into a EUR 2.5bn sustainability-linked credit facilities agreement with a broad international consortium of banks, led by ING as sole coordinator. The interest margin of the facilities will, among others, depend on Axpo's expansion of its renewable energy portfolio.
- **Roche Holdings issues senior notes:** On 10 March 2022, Roche Holdings Inc. issued senior notes in an amount of USD 5bn. The notes are irrevocably and unconditionally guaranteed by Roche Holding Ltd.

Real estate transactions

- **Allreal Holding acquires several real estate companies from Immosynergies Holding Sàrl:** In mid-September 2021, Allreal Holding Ltd., listed on the SIX, agreed to acquire several real estate companies in the western part of Switzerland from Immosynergies Holding Sàrl. The acquisition covers a high-end portfolio of investment properties (total value *ca.* CHF 500m) in addition to development properties (total value *ca.* CHF 210m), representing a potential investment volume of more than CHF 700m.

Key developments affecting corporate tax law and practice

Domestic legislation

Update – vote regarding the amendment to the Federal Act on Stamp Duties (abolition of stamp issuance tax)

In Switzerland, a stamp issuance tax of 1% is levied on capital contribution to Swiss companies, once the value at issuance or increase of capital exceeds CHF 1m (free allowance). The levy covers the issue – against payment or free of charge – and increase of the nominal value of shares as well as contributions without issuance of shares. The Federal Council and Parliament wanted to abolish the stamp issuance tax to strengthen economic growth and Switzerland's attractiveness as a business location in the long term. However, a referendum was submitted against this bill. On 13 February 2022, the Swiss voters clearly rejected the bill with 62.7% of votes against.³

Update – WHT and securities transfer tax reform

On 14 April 2021, the Federal Council published the "Dispatch on an Amendment to the Federal Act on Withholding Tax (Strengthening the Debt Capital Market)". In principle, this reform bill aims to largely abolish the withholding tax (WHT) of 35% currently levied on interest payments on a domestic bond and, as an accompanying measure, to abolish the turnover tax on Swiss bonds. The reform proposal is to be welcomed due to the undisputed positive incentives for the Swiss debt capital and corporate financing markets.

On 17 December 2021, the Swiss Parliament passed an amendment to the Federal Act on Withholding Tax and the Federal Act on Stamp Duties. The decree sets forth that only newly issued bonds shall profit from no WHT on interest. Domestic bonds already issued at the time of the reform's entry into force shall remain subject to WHT. The same applies to interest on customer deposits of Swiss resident individuals. In contrast to the Federal Council's proposal, however, WHT will also be abolished on interest on bonds held indirectly via a Swiss investment fund, provided that the interest income is reported separately. Furthermore, the reform sets forth that the brokerage as well as the purchase and sale of participations of 10% or more in a Swiss or foreign company's share capital shall be exempt from securities transfer tax if the participation qualifies as fixed assets as defined in art. 960d of the Code of Obligations (CO). On 5 April 2022, a referendum against the reform was submitted. The vote on the reform will take place in the fall of 2022. The entry into force of the Swiss federal WHT and securities transfer tax reform, if adopted, is not expected before the beginning of 2023.

Swiss WHT – notification procedure

Within groups of companies, the notification procedure can replace the procedure with payment and refund of Swiss WHT on dividends. As of 1 January 2023, the notification procedure shall be possible from a participation of 10% (instead of 20% as before) and shall be extended to all domestic legal entities that hold such a qualified participation.⁴ Furthermore, the authorisation upon request (form 823/823B/823C) for the application of the notification procedure in cross-border circumstances shall be valid for five years instead of three.

Update – reform of corporate law

As of 1 January 2023, the revision of the stock corporate law reform will enter into force, which will provide more flexible formation and capital regulations to stock corporations. The bill includes, among other things, new provisions for more flexible foundation and capital regulations, the introduction of gender guidelines, and stricter transparency rules for companies active in the extraction of raw materials sector. Relevant tax topics related to the reform are, in particular:

- 1) The introduction of a new legal institution, the so-called “capital band”. The board of directors of a company will be authorised to increase or decrease the capital within a pre-defined range within a maximum period of five years. As for tax aspects, this means that capital contribution reserves that may be repaid tax-free at a later stage may only be created at the end of the capital band, and stamp issuance tax will only apply at that time on the net amount, i.e., after five years at the latest.
- 2) The reform explicitly allows interim dividends distributed from profits of the current financial year.
- 3) Since companies may have their share capital in certain foreign currencies, e.g., USD or EUR, this means that currency exchange differences have an impact on capital contribution reserves (new circular letter expected in 2022).

This extensive revision of the stock corporate law finally concludes a process that began more than 10 years ago.

Circular letter no. 5a regarding restructurings

In Switzerland, the Swiss Federal Tax Authority (SFTA) publishes the tax authorities' practice in so-called “circular letters” to harmonise the implementation of federal tax law by the 26 Swiss cantons and practice of the cantonal tax authorities.

The new edition of circular no. 5 (now no. 5a) of the SFTA concerning restructurings is the most comprehensive and probably the most important practice instruction of the SFTA. Its comprehensive revision was overdue due to numerous changes in the law, such as the introduction of the capital contribution principle allowing for tax-free repayment of paid-in capital. Beside the amendments to the law, it was also necessary to consider case law that has been developed by the Federal Supreme Court, e.g., the leading decision of the Federal Supreme Court on the demerger of holding companies (DFT 2C_34/2018 dated 11 March 2019).⁵ The SFTA also clarified certain topics and made changes to its administrative practice on some points; e.g., circular no. 5a now explicitly sets forth that tax-neutral spin-offs and replacements of participations require a 10% participation quota (instead of 20%). Furthermore, tax consequences arising from partial tax-neutral restructuring, and no levying of the stamp issuance tax of 1% in case of a violation of a lock-up period, were clarified.

The publication of circular no. 5a was preceded by an extensive consultation procedure where tax experts and industry submitted contributions and suggestions, which the SFTA, in numerous cases, implemented in said circular.

Introduction of trusts under Swiss law

As of today, Switzerland has not had its own trust law. Since the entry into force of the Hague Trust Convention in 2007, trusts established abroad have been recognised in Switzerland. The legal institution “trust” has become increasingly important in practice ever since, although the trust has not yet been specifically regulated in Swiss law. In the future, the establishment of a trust shall also be possible under Swiss law. On behalf of Parliament, the Federal Council therefore proposed the introduction of a new legal institution in the CO. In addition to the new regulation of trusts in the CO, various federal laws shall be amended accordingly. In particular, the tax laws shall explicitly regulate how trusts are to be treated for tax purposes.

AEOI

The legal foundations for automatic exchange of information (AEOI) have been in force since 1 January 2017. The Swiss Parliament has approved the introduction of the AEOI with 108 partner states. Thereof, six partner countries cannot yet meet the requirements of the AEOI standard or have not expressed interest in AEOI with Switzerland, which is why AEOI has not yet been activated with these six countries.

On 3 December 2021, the Federal Council opened the consultation on the extension of the AEOI on financial accounts to 12 additional partner states (Ecuador, Georgia, Jamaica, Jordan, Kenya, Moldova, Montenegro, Morocco, New Caledonia, Thailand, Uganda and Ukraine). These are states and territories that have committed to the AIA standard and plan to implement it by 2023 at the latest. Assuming that all the conditions for the AEOI are met, information on financial accounts with the 12 above-mentioned countries should be exchanged for the first time in 2024.

The SFTA successfully exchanged financial account information with a total of 70 partner states.⁶ Switzerland received information from 26 countries but did not send any information. The SFTA sent information on approximately 3.4m financial accounts to the partner states and received similar information from them on approximately 2.7m financial accounts.

International DTTs

As of 1 January 2022, Switzerland has signed more than 100 DTTs, most of which contain a provision on the exchange of information according to international standards. Switzerland has also signed 10 tax information exchange agreements, all of which are in force.

Revisions of DTTs or whose dispatch was submitted to the Swiss Parliament for approval between April 2021 and April 2022 include treaties with Armenia, Ethiopia, Japan, Liechtenstein and Northern Macedonia. Previously revised DTTs that entered into force as of 1 January 2022 include treaties with Bahrain, Cyprus and Malta. Revision of the DTTs implements the minimum standards for double taxation agreements resulting from the BEPS project and some of them include an arbitration clause and adjusted source tax rates.

Implication of international tax developments – OECD Pillars 1 and 2

In January 2022, the Federal Council decided to implement the minimum tax agreed by the Organisation for Economic Co-operation and Development (OECD) and the G20 countries by creating a new constitutional basis to provide legal certainty for affected companies. Until implementation, the Federal Council intends to issue a temporary ordinance that, as of 1 January 2024, will implement the minimum tax rate of 15% for multinational companies with turnover of more than EUR 750m as suggested by the OECD. Thereafter, a legal basis shall be prepared in an ordinary legislative procedure and the ordinance will be replaced.

The Federal Council opened consultation on the implementation of the OECD/G20 minimum tax. Initial rough estimates suggest short-term additional fiscal income of CHF 1–2.5bn due to the minimum tax rate.

COVID tax implications

Swiss tax and social security administrations have implemented a number of temporary measures owing to COVID-19, including the late filing of tax returns without penalties, the deferred payment of taxes (including value-added tax) and social securities due without late interest payments, the final withdrawal of taxes due under certain very restricted situations and in a few cantons, the possibility of the building of tax provisions owing to the effects of the COVID-19 pandemic.

The Swiss social security administration applied a “flexible approach” for the relevant social security affiliation of ordinary cross-border commuters who had to work from home due to lockdowns and travel restrictions caused by the pandemic. Switzerland entered into agreements with its neighbouring states (Austria, France, Germany, Italy and Liechtenstein) for the flexible application of the affiliation rules until 30 June 2022. The ordinary rules for social security affiliation shall apply again as of 1 July 2022.

In the light of increased activities of employees in a home office in countries outside of Switzerland, the risk of qualification of a permanent establishment for tax purposes has increased. Swiss companies are generally recommended to closely monitor cross-border cases involving any countries with respect to tax and social security risks.

Adjusted capitalisation rate

Circular no. 28 of 28 August 2008 of the Swiss Tax Conference (SSK) sets out the principles applicable for tax purposes for the valuation of securities without a market value. As of 1 January 2021, the SSK applies a new methodology regarding the calculation of the capitalisation rate effective for the valuation year 2021.⁷ Due to the new methodology, the capitalisation interest rate for domestic securities/participations has increased from 7% to 9.5% compared to the previous year, resulting in a lower present value and, as such, a lower taxable value.

Domestic case law

Securities transfer tax for M&A advisors – Swiss Federal Administrative Court decision A-5038/2020 dated 23 November 2021

Swiss securities transfer tax is levied at a rate of 0.15% (on Swiss securities) or 0.3% (on non-Swiss securities) on the consideration for the sale of taxable securities if a so-called

Swiss “securities dealer” is involved in a transaction as a party or intermediary. In the present case, the Swiss Federal Administrative Court dealt with the question when a Swiss-domiciled M&A advisory company, on the basis of intermediation activities, became a securities dealer within the meaning of art. 13 para. 3 lit. b no. 2 of the Federal Act on Stamp Duties. According to the law, the status of a securities dealer is satisfied if an intermediary, as an investment advisor or asset manager, *arranges* the purchase and sale of taxable securities and this forms a substantial part of the advisor’s activities.

In its decision of 23 November 2021, the court ruled that the M&A advisor, whose role is to provide guidance to shareholders intending to sell their shares along the entire deal and who is processing the transaction, qualifies as an intermediary subject to securities transfer tax. For its assessment of a qualified intermediary, the court considered, among others, the following:

- searching for suitable buyers for the clients’ companies;
- preparation of sales documentation;
- contacting prospective buyers;
- organisation of meetings with potential buyers; and
- assistance in the negotiation of the sales contracts.

The court deemed these circumstantial aspects sufficient for an active role as an “investment advisor” to influence potential buyers to enter into a purchase contract. The M&A advisor has a causal influence on the conclusion of the contract and thus shall qualify as a securities dealer, which brings such advisor into the scope of securities transfer tax. The ruling has led to some uncertainty among potentially affected M&A advisory companies, since the securities transfer tax adds costs of the transaction and results in additional reporting obligations for the securities dealer.

Old reserves practice – Federal Supreme Court decision 2C_80/2021 dated 29 July 2021⁸

According to the practice of the SFTA, in an acquisition of (all) shares of a Swiss resident company by a Swiss buyer from a seller who is not entitled to a full WHT refund at a price exceeding the share capital of the Swiss company in view of distributable reserves and non-operating assets (old reserves), tax avoidance regarding the refund of Swiss WHT is assumed. The SFTA’s practice is known as the “old reserves practice”. Although the acquiring company is entitled to get a full refund of the WHT, such refund may be disallowed in the amount of the non-refundable portion with respect to the seller. According to the SFTA’s practice, a refund will, in general, be disallowed on the old reserves in case of an improvement of the overall refund position with respect to WHT.

In the present case, the buyer, a joint-stock company resident in Switzerland, acquired the target company in 2005 from a seller domiciled in Paraguay. Due to the lack of a DTT with Switzerland, shareholders with residence in Paraguay are not entitled to a refund of WHT in case of a dividend distribution from a Swiss resident company. The buyer acquired the target company with old reserves in the amount of approximately CHF 636,000 and a respective WHT burden of CHF 222,000. In 2010, the acquirer distributed a dividend and notified the WHT to the SFTA. The SFTA declined the notification of WHT and, after the acquirer paid the WHT, also declined the refund of the WHT in the amount of CHF 222,000.

The Federal Supreme Court held, upon the appeal of the acquirer, that the SFTA’s practice must be understood as such that pre-existing (old) reserves represent a significant indication for the existence of possible tax avoidance, but that this in no case replaces the in-depth individual examination on the basis of the tax avoidance criteria anchored in the case law.

With respect to the 35% WHT tax burden on the old reserves, the court noted that the buyer could have either demanded the seller to distribute a dividend in advance subject to WHT of 35% or asked for a reduction of the purchase price in the amount of the tax burden on these old reserves. The SFTA provided sufficient evidence of tax avoidance, which the acquirer could not rebut based on economic motives for the chosen course of action. In particular, the buyer's claim that it intended to use the acquired cash of target for further acquisitions did not succeed since it had taken on debt in excess of the amount of the old reserves in the year of acquisition but had made further acquisitions in subsequent years without using the cash of target. The court held that the chosen procedure could only be explained by the intention to save taxes and pointed out that – contrary to what was implied by the lower court – the period between the acquisition of the shares and the dividend distribution was irrelevant; i.e., once old reserves are earmarked, their qualification cannot be cured by the lapse of time.

In practice, this ruling means that the review of possible old reserves and historic shareholders' chain of title is essential prior to the acquisition of shares in a Swiss resident company.

Developments affecting attractiveness of Switzerland for holding companies

In Switzerland, holding companies benefit from an attractive participation deduction for dividends and capital gains. The following three subjects are noteworthy:

- If accepted, the bill regarding the abolishment of the Swiss withholding tax reform would allow issuance of bonds by Swiss companies without potential WHT of 35% on interest.
- When a company transfers its registered office or the place of effective management from outside of Switzerland to Switzerland, hidden reserves including goodwill (“step-up”) may be disclosed without being subject to taxation. As a result, only the net profit generated during the period of residence in Switzerland will be taxed and the imported goodwill/hidden reserves (excluded for participations) can be depreciated for tax purposes. The same rules apply if assets or functions of a company resident abroad are transferred to a Swiss company or a Swiss permanent establishment.
- Switzerland still has no intention of introducing controlled foreign corporation rules and remains, with its extensive DTT network, a beneficial location for holding companies.

Tax climate in Switzerland

In recent years, there has been a global trend led by the G20, OECD and the EU to dry up tax havens worldwide, in particular to demand more taxes from multinational corporations. As an export-oriented country with a moderate tax level and a small domestic market, Switzerland is used to, and significantly affected by, this global pressure. Privileged tax regimes were abolished and, instead, various business-friendly tax incentives and a substantial reduction of effective corporate income tax rates were introduced. As a next step, the global corporate tax rules with a minimum tax rate of 15% for multinational companies reaching specific thresholds shall be implemented in Switzerland at the beginning of 2024. Switzerland did not seek this reform as it will lose more competitiveness *vis-à-vis* the high-tax countries. However, Switzerland will provide for such minimum tax for affected companies to avoid such tax being applied abroad under Pillar 2. Thus, timely implementation is key for Switzerland. The allocation/use of such additional tax revenues may contribute to Switzerland's attractiveness.

Industry sector focus

Crypto fintech

In Switzerland, the potential of cryptocurrencies was recognised early on, not only by the interested market players but also by authorities. Municipalities were keen to promote cryptocurrencies, and soon. For example, the Canton of Zug became a crypto valley, allowing payment of taxes in and the establishment of companies by cryptocurrencies. In the first half of 2021, a new “blockchain law” on how digital assets shall be treated by the courts when it comes to certain peculiar aspects, such as proof of ownership and custody, was introduced. Also, FINMA has been extremely proactive in trying to engage with and understand the new crypto world. In September 2021, SEBA Bank and Sygnum Bank, both seated in the Canton of Zug, secured the first institutional licences to custody Collective Investment Schemes for Digital Assets in Switzerland. Switzerland has definitively established itself as a crypto hub and may benefit from a first-mover advantage when it comes to crypto fintech. This is promising when looking at M&A in the global crypto market, which increased in terms of value from approximately USD 1.1bn in 2020 to some USD 55bn in 2021. According to reports, the major increase resulted from the rise of SPAC deals – another trend that Swiss market players are ready to promote.

Debt markets/sustainable finance hub

The market for green bonds has grown promisingly in recent years. Unlike conventional bonds, the use of capital raised with green bonds is restricted to (re)financing of projects that have a positive impact on the environment; e.g., promoting renewable energies, increasing energy efficiency, preserving biodiversity or constructing environmentally friendly buildings. The Federal Council strongly encourages the Swiss financial centre to be an international leader in sustainable financial services. After the first issuances of sustainability bonds (by Raiffeisen Schweiz in 2019) and sustainability-linked bonds (by Novartis in 2020), the Federal Finance Administration was instructed to prepare a framework for the issuance of green Confederation bonds and submit it to the Federal Council by the end of 2022 for a decision.⁹ The issuance of the first social bond on the SIX by CABEI in the fall of 2021 underlines this promising development in sustainable financial services.

The year ahead

A country’s tax policy must promote long-term economic growth. In an environment of increasing alignment of profit tax rates between high-tax countries and tax-attractive jurisdictions such as Switzerland, it is important to remove tax obstacles in order to continue to maintain the attractiveness of the location. Both Swiss politics and the industry are making corresponding efforts in favour of the Swiss model of economic success. The reform of the Withholding Tax Act has the potential to strengthen the debt capital market and promote the excellent reputation of the Swiss financial market. The political sentiment of Swiss voters will demonstrate whether Switzerland is ready for tax policy concessions in favour of the debt market.

Against the backdrop of the pressure and likely global levelling of profit tax rates (minimum of 15% corporate income tax rate) resulting in potential negative effects on Switzerland, working groups are preparing tax measures using leeway to the greatest possible extent in order to promote Switzerland’s attractiveness as a business location by international comparison.

In 2021, the M&A market hit a record year, which will be difficult to exceed. After some restraints in the beginning of the year, also caused by political instability, the M&A market has recovered well again in 2022 and might even meet the promising forecasts for this year.

Endnotes

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Susanne Schreiber comprehensively advises corporate clients on domestic and international tax matters. She advises listed and privately held groups on tax-related questions, in particular regarding restructurings, cross-border and domestic M&A transactions (sell- and buy-side, pre-deal carve-outs, post-merger integration) and financing.

Susanne Schreiber is a qualified Swiss tax expert, attorney-at-law and German tax advisor. She joined Bär & Karrer as a partner and co-head of the tax team in 2015 after having led the Swiss M&A tax department of a Big Four firm. As of 2022, Susanne Schreiber has been elected as senior partner of Bär & Karrer.

The Legal 500 lists Susanne Schreiber as a “Leading Individual” in the Tax Switzerland category. She was awarded for outstanding quality client service by the Client Choice Awards 2020 for Corporate Tax in Switzerland, and ranked first place by MergerLinks in the Top Female M&A Lawyers EMEA 2021 category and Band 1 by *Chambers Europe 2022* in the Tax – Switzerland category.

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Kerim Tbaishat frequently works on M&A transactions (buy-side and sell-side advice across all stages of the transaction, advice on management incentive schemes), restructurings and reorganisations and provides advice on various national and international corporate tax matters. He also has broad experience in advising clients in the area of employee stock.

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Bribery & Corruption

Cartels

Employment & Labour Law

Energy

Fintech

Fund Finance

Initial Public Offerings

International Arbitration

Litigation & Dispute Resolution

Merger Control

Mergers & Acquisitions

Pricing & Reimbursement