



SWITZERLAND

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Cees Jan Quirijns is specialised in international tax and estate planning and the managing partner of the Athos Group. After studying Corporate and International Tax Law in the Netherlands, he worked at a leading international tax consultancy firm in the Netherlands and in Curacao.

He subsequently joined a global fiduciary services firm and joined their management team in Switzerland before he became a founding partner of the Athos Group.

Cees Jan is specialised in the creation and implementation of tax efficient corporate structures and the creation of trusts and family foundations for estate planning and asset protection purposes. He mostly deals with complex planning issues for affluent and international oriented families.

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I QUESTION ONE

What are the most common structures used when international clients want to form a company in your jurisdiction? Any examples?

Many internationally operating businesses and their advisors decide to establish a Swiss AG (or GmbH) or a Swiss branch within their group planning structures. As a result, most international companies have a presence in Switzerland, whether as their group holding company or with a subsidiary, and the activities of these companies vary widely. One can generally say that, besides banks and investment funds, many foreign groups use Switzerland for holding activities, European headquarters, finance and treasury activities, trading (purchase and / or sales office) activities, intellectual property and / or (sub-) licensing activities.

The above is not meant to be exhaustive, since many other activities have been and can be moved to Switzerland as well. In fact, the range of companies using the Swiss advantages is almost unlimited. In this respect, one could mention all kind of group support activities, asset management activities, commodities and securities traders, e-commerce companies, crypto companies, research and development, consultancy activities, either as part of an international group or as start-ups.

I QUESTION TWO

Please detail some of the favourable and unfavourable legislation that businesses considering establishing a presence in your jurisdiction should be aware of? How can you help them to streamline the process?

Although the above implies that Switzerland is - and not only from a fiscal point of view - one of the most attractive locations within Europe, or even globally, we should always carefully consider the local and international regulations (and pitfalls) before setting up a Swiss company.

A good international structure does not only consider the effective tax rate on the derived income, but also the possible, and preferably tax neutral, ways to repatriate profits and to exit the structure.

Currently, many treaties with a full refund of Swiss withholding tax are in place, and this has further improved after the implementation of the EU parent-subsidiary directive. One of the most relevant tax issues to consider (from a Swiss perspective) is the Swiss dividend withholding tax, or rather the relevant domestic anti-abuse regulations, as applied by the federal tax administration.

Many countries implement CFC-regulations, and their own anti-abuse regulations, combined with black lists. Furthermore, the OECD as well as the EU have been quite active in pointing out non-cooperative low tax jurisdictions and harmful tax regimes. As a result, one should always consider if an international structure is in line with local anti-abuse regulations in all countries involved.

This is especially true for CFC-regulations, whereby a minimum effective tax rate is set and will have an impact on structures using Swiss companies. Such regulations may completely nullify the effect of any such planning. The fact that the effective tax rates can vary within Switzerland proves to be an excellent tool to manage this.

Clearly on a global level the need for economic reality (substance, transfer pricing etc) is getting more and more relevant in any cross-border structure. Switzerland offers a very logical and natural solution for dealing with such requirements.

Even with the low VAT rate of 7.7 per cent, one should always make sure that the VAT consequences of the Swiss activities are taken into account and are totally clear. The same is true for any other possible taxes and charges involved, such as employee withholding taxes, social security contributions, stamp duties etc.

At our Athos offices in Baar, we are best positioned to advise and assist clients in all matters regarding doing business in Switzerland. Together with local and international experts we have assisted many foreign clients – private clients, entrepreneurs as well as multinational corporations – in establishing operations and maintaining structures in Switzerland. We coordinate legal, tax as well as administrative and support services on an ongoing basis for companies based Switzerland.

We usually start a relationship with a client and his/her advisors by organizing a meeting in which we make an assessment of the current situation and define the goals and needs. We may consider some possible solutions, which we will subsequently discuss with the tax and legal advisors in order to define the best way forward and to decide on the best possible solution.

Once this decision has been made (and rulings or opinions have been obtained), we establish the Swiss company (together with a Swiss notary) and subsequently we will take full responsibility for its administration and maintenance.

To ensure that we consistently satisfy the high expectations of our clients, Athos Group is guided by four principles;

- Excellence in services: We offer global, optimal, creative and effective solutions, enabled by our valuable knowledge, experience and our extensive network.
- Total dedication: We always use our knowledge and experience in the best interest of our clients and we are fully committed to the growth of our clients' happiness, business and wealth.
- Personal approach: We take time to understand our clients' goals and needs building long-term relationships based on mutual respect, integrity, discretion and confidentiality.
- Proactivity and flexibility: We stay ahead of global developments, anticipating change in a flexible, entrepreneurial manner to protect our clients' interests by adding value at all levels

I QUESTION THREE

What due diligence is required to be undertaken by company formations agents under anti-money laundering laws in your jurisdiction?

The due diligence requirements in Switzerland very much depend on the services that will be provided. In case these services are considered AML relevant (this includes incorporating a company, acting as director or having signatory rights on the bank account), a more thorough procedure will need to be put in place, which includes obtaining information (such as passport copies, CV's, proof of residence and source of wealth) on the ultimate beneficial owners (UBOs) of the Swiss company.



Athos Group is a highly regarded provider of trust and corporate services for private clients, entrepreneurs and family-owned businesses. Athos Group operates as an international trust boutique with offices in key locations worldwide including Cyprus, Liechtenstein, Luxembourg, Malta, the Netherlands, Switzerland and the Caribbean.

As an independent group, the firm works with a selection of tax and legal firms as well as wealth managers and (private) banks.

Athos Group is proud to serve reputable families, entrepreneurs and their companies around the globe. We believe in adding value by providing a top quality service with a personal approach and fair pricing.

Doing business in Switzerland

Establishing a presence in Switzerland has always been a preferred option for international companies from all over the world. Switzerland truly offers an extremely attractive business climate for companies that are interested to expand internationally.

Furthermore, Switzerland has been used in sophisticated planning structures since many years, but the low effective tax rates and the open, "client"-friendly attitude of the Swiss authorities are not the only reason for companies to set up operations here.

For most companies the decision to move to Switzerland is made by the combination of low taxes, the quality of life, and a highly qualified but flexible work force – the Swiss labor law is very attractive, especially compared to other European countries.

Other relevant aspects that play an important role in the popularity of Switzerland are the solid and efficient Swiss legal system and infrastructure (including the availability of many very qualified and competent international lawyers), the world famous reliable and international banking environment and the central location (globally and within Europe) combined with a multi lingual work force.

And on top of all that Switzerland is a strong brand that still stands for stability and neutrality; features that are becoming more and more relevant.