

Swiss Federal Stamp Tax Legislation

English Translation of Act and Ordinances

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by

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**Ordinance on the Late Payment Interest Charge on Stamp Taxes of
November 29, 1996**

Federal Stamp Tax Act (FSTA)

of June 27, 1973

The Federal Assembly of the Swiss Confederation,

pursuant to Art. 41^{bis}(I)(a) (2) and (3)
of the Federal Constitution,

and after having taken cognizance of a message
of the Federal Government of October 25, 1972,

enacts:

INTRODUCTION

I. Matters Covered

Article 1

¹The Confederation levies stamp taxes:

a. on the issuance of the following Swiss securities:

1. shares,
2. shares in limited liability companies and cooperatives,
- 2.^{bis} participation certificates,
3. profit sharing certificates,
4. debentures,

5. money market papers;
- b. on the transfer of the following Swiss and foreign securities:
1. debentures,
 2. shares,
 3. shares in limited liability companies and cooperatives,
 - 3.^{bis} participation certificates,
 4. profit sharing certificates,
 5. units in collective investment schemes pursuant to the Federal Act on Collective Investment Schemes of June 23, 2006 (CISA),
 6. documents that the present Act deems to be securities as per paragraphs 1 through 5;
- c. on receipts for payment of insurance premiums.

²In the event that no document is issued or transferred in the legal transactions mentioned in the first paragraph, the books of accounts and other documents evidencing such transactions are deemed securities.

II. Shares of the Cantons

Article 2

[repealed]

III. Relationship to Cantonal Law

Article 3

¹ Any security made subject to a stamp tax or exempt therefrom by the present Act must not be taxed by the cantons by means of a stamp or registration tax of the same kind. Controversies arising in connection with the present provision are decided by the Federal Supreme Court as sole instance (Art. 116 Federal Act on the Organization of the Judiciary).

² Securities exempt from stamp tax also include freight securities for luggage and animal transport and freight haulage of the Swiss Federal Railways and for transport companies with a concession by the Confederation.

IV. Definitions

Article 4

¹ The term "Swiss" designates anyone who has his domicile, permanent residence or registered office (statutory or under the by-laws) in Switzerland or who is registered as a company in the Swiss Register of Commerce.

² Investment companies with fixed capital pursuant to Art. 110 CISA are assimilated with companies for the purpose of this Act.

³ The term "debentures" designates written acknowledgments of indebtedness of fixed amounts issued in multiple instruments with a view of obtaining collective financing from investors at large, or of creation of collective investment opportunities, or of consolidation of liabilities, in particular bond issues, including bonds guaranteed by a mortgage pursuant to Art. 875 of the Swiss Civil Code, annuity bonds, mortgage bonds, notes, certificates and debt register claims.

⁴ The term "debentures" includes the following instruments:

- a. bills of exchange, acknowledgments of indebtedness assimilated with bills of exchange and other discountable commercial papers issued in multiple instruments destined to be placed in the public;
- b. certificates evidencing sub-participations in claims arising from loans;
- c. debt register claims issued in multiple instruments with a view of obtaining collective financing from investors at large.

⁵The term "money market papers" designates debentures with a fixed term of up to twelve months.

CHAPTER ONE: ISSUANCE STAMP TAX

I. Taxable Transactions

Article 5 Participation Rights

¹The issuance tax is levied on:

- a. the creation or increase, against consideration or gratuitously, of the par value of participation rights in the form of:
 - shares in Swiss corporations or corporations with unlimited partners;
 - shares in Swiss limited liability companies;
 - shares in Swiss cooperatives;

- profit sharing certificates of Swiss corporations, companies or cooperatives. Documents evidencing claims in the net profit or the liquidation proceeds are deemed profit sharing certificates;
- participation certificates of Swiss corporations, companies, cooperatives or commercial enterprises with a public-law status.

b. [repealed]

²The term "creation of participation rights" within the meaning of paragraph 1(a) includes the following transactions:

- a. the subsequent contributions to capital of the corporation, company or cooperative by the shareholders without corresponding consideration and without increase of the capital as registered with the Register of Commerce or of the paid-in amount of the shares of the cooperative;
- b. the transfer of ownership of the majority of the shares in a Swiss corporation, company or cooperative whose business is wound up economically or whose assets have been liquidated;

c. [repealed]

Article 5a Debentures and Money Market Papers

¹ The object of the issuance tax on debentures and money market papers is the following:

- a. the issuance by a Swiss person of debentures (Art. 4(3) and (4)) and of certificates evidencing sub-participations in claims arising from loans extended to Swiss debtors;
- b. the issuance of money market papers (Art. 4(5)) by a Swiss person.

² The term "issuance" includes the renewal of debentures and money market papers. Renewal includes the increase of the par value, the extension of the contractual term and the change of interest conditions of securities that are reimbursable upon termination only.

Article 6 Exemptions

¹ The following transactions are exempt from the issuance tax:

- a. participation rights in corporations, corporations with unlimited partners, limited liability companies or cooperatives dedicated, without the intention of deriving a profit, to caring for the poor and the sick, fostering worship, education or other public interest goals, providing dwellings at moderate rent, or issuing guarantees, provided that, under the by-laws,
 - no dividends may be distributed in excess of 6 percent of the paid-in capital of the corporation, company or the cooperative,
 - no shares of profits may be paid to the directors, and

- in the event of the winding-up of the corporation, company or the cooperative, the remaining portion of the assets of the corporation, company or cooperative after repayment of the capital shall be designated to similar purposes;
- a.^{bis} participation rights created or increased pursuant to resolutions to carry out a mergers or a concentration economically equivalent to mergers, transformations and spin-offs of corporations, corporations with unlimited partners, limited liability companies or co-operatives;
- b. participation rights in cooperatives, as long as the contributions of the shareholders, within the meaning of Art. 5, are less than 50,000 Francs in the aggregate;
- c. participation rights in transportation enterprises created or increased in connection with measures taken under Art. 56 et seq. of the Federal Railway Act of December 20, 1957 or under Art. 20(1) of the Federal Act on Swiss Federal Railways of March 20, 1998;
- d. participation rights created or increased by utilization of previously paid premiums on shares or contributions by the shareholders, provided that the corporation, company or cooperative demonstrates that it paid the issuance tax on such premiums on shares or contributions;
- e. [repealed]
- f. contribution made by the shareholder by transfer of work creation reserves pursuant to the Federal Act on Constitution of Tax-Sheltered Work Creation Reserves of December 20, 1985;
- g. participation rights created or increased by utilization of a participation certificate capital, provided that the corporation or cooperative demonstrates that it paid the issuance tax on such participation certificate capital.
- h. participation rights issued against consideration at the incorporation or at the increase of the share capital of a corporation, a limited partnership with shares or a limited liability company provided that the contributions of the shareholders do not exceed one million Francs in the aggregate;
- i. the creation of units in collective investment schemes pursuant to the CISA.

² If the conditions for exemption are no longer met, the tax becomes payable on the participation rights still in existence.

II. Taxable Events

Article 7

¹ The tax claim arises:

- a. for corporate shares, participation certificates and shares in limited liability companies: at the time of registration of the creation or increase of the participation rights in the Register of Commerce;
- a.^{bis} for participation rights created by means of a conditioned increase of the capital: at the time of their issuance;

- b. [repealed]
- c. for shares in cooperatives: at the time of their creation or increase;
- d. for profit sharing certificates: at the time of their creation or increase;
- e. for contributions to capital or transfer of ownership of the majority of participation rights: at the time of contribution or transfer;
- f. for debentures and money market papers: at the time of their issuance.

²[repealed]

III. Rates and Assessment Basis

Article 8 Participation Rights

¹ The issuance tax on participation rights amounts to 1 percent and is calculated as follows:

- a. for the creation and increase of participation rights: on the amount received by the corporation, company or cooperative in consideration for the participation rights, but not less than their par value;
- b. for subsequent contributions to capital: on the amount of the contribution;
- c. for the transfer of ownership of the majority of participation rights: on the net assets of the corporation, company or cooperative at the time of the transfer, but not less than the par value of all existing participation rights.

²[repealed]

³ Assets and claims shall be valued at their fair market value at the time of their contribution.

Article 9 Special Cases

¹ The tax amounts to:

- a. [repealed]
- b. [repealed]
- c. [repealed]
- d. 3 Francs per profit sharing certificate issued gratuitously;
- e. 1 percent of the par value on participation rights created or increased pursuant to decisions to carry out a merger, spin-off or conversion of sole proprietorships, trading partnerships without legal personality, associations, foundations or public-law enterprises, provided that the former enterprise has been in existence for at least five years, the exemption of Art. 6(1)(h) being reserved; the surplus value is subject to tax in the event that within five years following the restructuring the participation rights are sold.

² The payments made during a given business year to the capital of a cooperative are subject to the issuance tax only to the extent that they exceed the amount of capital repayments made in the same business year.

Article 9a Debentures and Money Market Papers

The issuance tax on debentures and money market papers (Art. 4(3) through (5)) is calculated on the par value and is levied at the following rates:

- a. for bonds, annuity bonds, mortgage bonds and debt register claims: 0.12 percent for each full or partial year of the maximum term;
- b. for notes and certificates of deposit: 0.06 percent for each full or partial year of the maximum term;
- c. for money market papers: 0.06 percent prorated at 1/360 of the tax rate for each day.

IV. Taxpayer

Article 10

¹ The tax obligation is borne by the corporation, company or cooperative. In the event of transfer of ownership of the majority of the participation rights (Art. 5(2)(b)) the transferor of the participation rights is jointly and severally liable.

² [repealed]

³ With respect to debentures and money market papers, the Swiss debtor who issues the security bears the tax obligation. The banks that participate in the issue are jointly and severally liable for the payment of the tax.

⁴ With respect to certificates evidencing sub-participations in claims arising from loans extended to Swiss debtors, the tax obligation is borne by the Swiss person who issues such certificates.

V. Due Date of Tax

Article 11

The issuance tax falls due:

- a. on shares in cooperatives: 30 days after the official assessment;
- b. on participation rights, notes and money market papers issued continuously: 30 days after the end of the quarter during which the tax claim arose (Art. 7);
- c. in all other cases: 30 days after the tax claim arose (Art. 7).

VI. Extension of Payment Term and Remission of the Tax

Article 12

If, in the event of an open or tacit financial restructuring of a corporation, corporation with unlimited partners, limited liability company or cooperative, the levy of the issuance tax should result in serious hardship, then an extension of the term of payment or a remission of the tax shall be granted.

CHAPTER TWO: TRANSFER STAMP TAX

I. Taxable Transactions

Article 13 General Rule

¹ The object of the transfer tax is the transfer of ownership in securities listed in paragraph 2 against consideration, provided one of the parties to the transaction or one of the intermediaries is a Swiss securities dealer within the meaning of paragraph 3.

² Taxable securities are the following :

- a. Securities issued by a Swiss person:
 1. debentures (Art. 4(3) and (4)),
 2. corporate shares, shares in limited liability companies and cooperatives, participation certificates, profit sharing certificates,
 3. units in collective investment schemes pursuant to the CSIA.
- b. Instruments issued by a foreign person that serve the same economic purpose as those listed in sub-paragraph a. The Swiss Federal Government must exempt foreign securities from the issuance tax if developments of the currency situation or the capital markets so require.
- c. Certificates evidencing sub-participations in securities listed in sub-paragraphs a and b.

³ Securities dealers are the following:

- a. the banks and bank-like financial institutions in the sense of the Federal Act on Banks and Savings Banks of November 8, 1934, and the Swiss National Bank;
- b. Swiss individuals, corporate entities and partnerships as well as Swiss establishments and branches of foreign enterprises that do not fall within sub-paragraph a and the activity of which consists exclusively or to an essential part in:
 1. trading in taxable securities for the account of third parties (traders), or
 2. acting, in the capacity of investment advisors or portfolio administrators, as intermediaries in the purchase and sale of taxable securities (intermediaries);

- c. [repealed]
- d. Swiss corporations, corporations with unlimited partners, limited liability companies and cooperatives not falling within sub-paragraphs a and b as well as Swiss institutions of occupational retirement, survivors' and disability plans and of blocked pension plans whose assets, as per the last balance sheet, consist of taxable securities listed in paragraph 2 in excess of 10 million Francs.
- e. foreign members of a Swiss exchange for Swiss securities traded at this exchange.
- f. the Confederation, the cantons and the political municipalities including their establishments if their financial statements show more than 10 million Francs of taxable securities; as well as the Swiss social insurance institutions.

⁴ Swiss institutions of occupational retirement, survivors' and disability plans and of blocked pension plans within the meaning of sub-paragraph 3(d) are:

- a. institutions within the meaning of Art. 48 Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982 and Art. 331 Swiss Code of Obligations, the security fund as well as the substitute pension plans within the meaning of Art. 56 and 60 of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans;
- b. blocked termination foundations within the meaning of Art. 10(3) and 19 of the Ordinance on Vesting in Pension Plans of October 3, 1994;
- c. institutions providing blocked pensions contracts within the meaning of Art. 1(1)(b) of the Ordinance on the Fiscal Deduction of Contributions to Recognized Pension Plans of November 13, 1985;
- d. investment foundations that are dedicated to investment in, and administration of, assets of institutions of occupational retirement, survivors' and disability plans and of blocked pension plans within the meaning of sub-paragraphs (a) through (c) and which are subject to federal or cantonal foundation supervision.

⁵ Swiss social insurance institutions within the meaning of sub-paragraph 3(f) include the equalization fund of the old-age and survivors insurance as well as the equalization fund of the unemployment insurance.

Article 14 Exemptions

¹ The following transactions are exempt from the transfer tax:

- a. issuance of corporate shares, shares in limited liability companies and cooperatives, participation certificates, profit sharing certificates, units in collective investment schemes pursuant to the CISA, debentures and money market papers, including the firm underwriting by a bank or a holding company and the allocation of the securities at a subsequent issue;
- b. contribution in kind of securities for payment of Swiss corporate shares, shares in limited liability companies and cooperatives, participation certificates and units in collective investment schemes pursuant to the CISA;
- c. [repealed];

- d. transfer of subscription rights;
- e. return of securities for cancellation;
- f. issuance of debentures of foreign debtors denominated in a foreign currency (Eurobonds) and participation rights in foreign companies. The term "Eurobonds" includes only securities for which payment of interest as well as repayment of capital is effected in a foreign currency;
- g. trade in Swiss and foreign money market papers;
- h. trading in, or acting as an intermediary in the purchase and sale of, foreign debentures provided that the purchaser or the seller is a foreign party to the transaction.
- i. transfer of taxable securities in connection with a restructuring in particular merger, spin-off or conversion of companies from the company that is being absorbed, spun off or converted to the company that absorbs or is being converted;
- j. acquisition or sale of taxable securities in the course of a restructuring within the meaning of Art. 61(3) and Art. 64(1^{bis}) of the Federal Income Tax Act of December 14, 1990 as well as the transfer of shareholdings of at least 20 percent of the stated capital of other companies to a foreign or Swiss group company.

² [repealed]

³ The professional securities dealer within the meaning of Art. 13(3)(a) and (b)(1) is exempt from the tax pertaining to him to the extent he sells securities out of his commercial portfolio or acquires securities to increase this portfolio. The commercial portfolio encompasses taxable securities resulting from the trade or business of the professional dealer but not shareholdings and portfolios of investment character.

II. Taxable Event

Article 15

¹ The tax claim arises upon conclusion of the transaction.

² The tax claim on conditional transactions or grants of option rights arises upon performance of the transaction.

III. Rates and Assessment Basis

Article 16 General Rule

¹ The transfer tax is calculated on the consideration and amounts to:

- a. 0.15 percent for securities issued by a Swiss resident;
- b. 0.3 percent for securities issued by a foreign resident.

² If the consideration does not consist of a sum of money, the fair market value of the consideration agreed upon is relevant.

IV. Taxpayer

Article 17 Rule

¹ The tax is owed by the securities dealer.

² He owes one-half of the tax:

- a. if he acts as an intermediary: for each party to the transaction that does not identify itself as a registered securities dealer nor as a tax exempt investor;
- b. if he is a party to the transaction: for himself as well as for the other party that does not identify itself as a registered securities dealer nor as a tax exempt investor.

³ The securities dealer is deemed an intermediary:

- a. if he establishes the statement of account to his principal at the original conditions agreed upon with the other party;
- b. if he merely indicates opportunities of transactions to the parties;
- c. if he transfers the securities on the day of acquisition.

⁴ The tax owed by the securities dealer pursuant to Art. 13(3)(e) is paid by the respective Swiss stock exchange.

Article 17a Tax exempt Investors

¹ From the tax pursuant to Art. 17(2) are exempt:

- a. foreign states and central banks;
- b. Swiss collective investment schemes pursuant to Art. 7 CISA;
- c. foreign collective investment schemes pursuant to Art. 119 CISA;
- d. foreign social security institutions;
- e. foreign occupational pension funds;
- f. foreign life insurance carriers subject to foreign supervision comparable to the one of the Confederation.
- g. foreign companies whose shares are listed on a recognized stock exchange, as well as their foreign consolidated group companies.

² Foreign social security institutions are institutions that provide the same functions as Swiss institutions within the meaning of Art. 13(5) and that are subject to comparable supervision.

³ Foreign occupational pension funds include institutions:

- a. that provide old-age, survivors' and disability pension coverage;
- b. whose funds are dedicated permanently and exclusively to providing benefits under occupational retirement, survivors' and disability pension plans; and

- c. that are subject to supervision comparable to the one of the Confederation.

Article 18 Issues of securities

¹ The securities dealer is deemed a party to the transaction if he does a firm underwriting of the securities at their issue.

² If the securities dealer, as a sub-participant, acquires securities from another securities dealer and passes them on during the issue, he is exempted from his portion of the tax obligation.

³ The securities dealer is further deemed a party to the transaction if he issues certificates on sub-participations in claims arising from loans.

Article 19 Transactions with Foreign Banks and Exchange Agents

¹ If, in a transaction, one of the parties to the transaction is a foreign bank or exchange agent, the (half) tax pertaining to that party to the transaction is not owed. The same applies for securities received or delivered in the course of the exercise of standardized derivative products by stock exchange acting as a counter party.

² The (half) tax is also not owed for the foreign member of a Swiss exchange, if this member trades Swiss securities for its own account.

V. Due Date of Tax

Article 20

The transfer tax falls due 30 days after the end of the quarter during which the tax claim arose (Art. 15).

CHAPTER THREE: STAMP TAX ON INSURANCE PREMIUMS

I. Taxable Transactions

Article 21 General Rule

The tax is levied on the payment of premiums of insurances that are:

- a. part of the Swiss portfolio of an insurer subject to the supervision of the Confederation or of a Swiss insurer enjoying public law status;
- b. taken out by a Swiss insured from a foreign insurer not subject to the supervision of the Confederation.

Article 22 Exemptions

The payment of premiums for the following insurances is exempt from tax:

- a. non-redeemable life insurance as well as redeemable life insurance financed with periodical premiums; the Federal Government determines the necessary classifications in the Ordinance;
- a.^{bis} life insurance providing benefits for retirement, survivors and disability within the meaning of the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982;
- a.^{ter} life insurance taken out by an insured domiciled abroad;
- b. health and disability insurance;
- c. accident insurance;
- d. insurance for transportation of goods;
- e. insurance against damage caused by natural forces to farmland and plants;
- f. unemployment insurance;
- g. hailstorm insurance;
- h. cattle insurance;
- i. reinsurance;
- k. comprehensive insurance of aircrafts and ships that are listed in the ordinance and primarily used abroad for the professional transportation of persons and goods;
- l. insurance against fire, theft, glass breakage, water damage and of credit, machinery and jewelry, provided the taxpayer demonstrates that the property insured is located abroad.

II. Liability to Tax

Article 23

The tax claim arises upon payment of the premium.

III. Rates and Assessment Basis

Article 24

¹ The tax is calculated on the net cash premium and amounts to 5 percent; for life insurances the tax amounts to 2.5 percent of the net cash premium

² The taxpayers shall, in their books, list separately and by type of insurance the taxable premiums and the premiums exempted.

IV. Taxpayer

Article 25

The tax is owed by the insurer. If the insurance is taken out from a foreign insurer (Art. 21(b)) the Swiss person insured is liable for the tax.

V. Due Date of Tax

Article 26

The tax falls due 30 days after the end of the quarter during which the tax claim arose (Art. 23).

CHAPTER FOUR: GENERAL PROVISIONS FOR ALL STAMP TAXES

I. Assessment of Tax

Article 27

¹The actual content of the documents or legal transactions is relevant for the assessment of the tax; inaccurate designations and expressions used by the parties are disregarded.

² If the actual facts giving rise to the tax or that are relevant for its calculation cannot clearly be ascertained, they shall be reconstructed based on an assessment of the findings that were made.

II. Conversion of Foreign Currencies

Article 28

¹ If the relevant amount for the calculation of the tax is denominated in a foreign currency, it shall be converted to Swiss Francs at the rate in effect at the time the tax claim arose (Art. 7, 15, 23).

² If the parties have not agreed upon a specified exchange rate, the calculation shall be made on the basis of the average between the offered and sold rate in effect on the last working day preceding the day the tax claim arose.

III. Late-Payment Interest

Article 29

Taxes due but not paid after the expiration of the time limits according to Art. 11, 20, and 26 are subject to late payment interest without prior notice. The interest rate is set by the Federal Department of Finance.

IV. Limitation Period for Assessment and Collection of Tax

Article 30

¹ After five years from the end of the calendar year during which the tax claim arose (Art. 7, 15, 23), it can no longer be collected.

² The limitation period does not start running or is suspended as long as the tax claim is guaranteed or an extension of the due term for payment of the tax is granted or as long as none of the persons liable for the tax reside in Switzerland.

³ The running of the limitation period is interrupted every time a person liable for the tax acknowledges the tax claim or an official action designed to recover the tax is brought to the attention of a person liable for the tax. Upon every interruption a new limitation period begins to run.

⁴ The suspension and the interruption take effect with respect to all persons liable for the tax.

CHAPTER FIVE: AUTHORITIES AND PROCEDURES

A. Authorities

I. Federal Tax Administration

Article 31

The Federal Tax Administration is competent to issue all directives and to render all decisions for the implementation of the present Act that are not expressly reserved for another authority.

II. Administrative Assistance

Article 32

¹ The tax authorities of the cantons, districts, counties and municipalities and the Federal Tax Administration assist each other in the performance of their respective duties; they

shall without charge make the appropriate notifications, supply each other with the necessary information, and grant each other access to the official files.

² The administrative authorities of the Confederation and the authorities of the cantons, districts, counties and municipalities other than the ones listed in paragraph 1 are obligated, if requested, to provide information to the Federal Tax Administration if the information could be important for the implementation of this Act. Access to this information may be denied only if an important public interest, especially the internal or external security of the Confederation or the cantons, so requires, or if the supply of the information would substantially hinder the ability of the authority petitioned to accomplish its duties. The secrecy of the postal, telegraph and telephone services must be preserved.

³ Controversies pertaining to the duty to provide information of the Federal administrative authorities are decided by the Federal Government; controversies pertaining to the duty to provide information of the authorities of the cantons, districts, counties and municipalities are decided by the Federal Supreme Court if the cantonal government has rejected the request for information (Art. 120 Federal Supreme Court Act).

⁴ The organizations entrusted with duties of public administration are likewise bound, within the framework of these duties, by the same obligations to provide information as the authorities. Paragraph 3 is applicable by analogy.

Ila. Data Processing

Article 32a

¹ The Federal Tax Administration runs an information system to perform the duties according to this Act. This information system may contain sensitive personal data on administrative and penal sanctions that are relevant for tax purposes.

² The Federal Tax Administration and the authorities listed in Art. 32(1) share the information that is of importance to perform their respective duties. The authorities listed in Art. 32(2) and (4) communicate the information to the Federal Tax Administration that could be of importance for the implementation of this Act.

³ The data will be transferred individually, on lists or on electronic data carriers. They can also be made accessible by means of a system to retrieve data. Such administrative assistance is provided free of charge.

⁴ The personal data and the devices used to process them such as data carriers, software and program documentations must be protected from unauthorized use, alteration or destruction or from theft.

⁵ The Federal Government may enact provisions of implementation rules, in particular regarding organization and operation of the information system, categories of the data to be collected, access and processing authorizations, period of storage as well as filing and deletion of the data.

III. Secrecy Obligation

Article 33

¹ Whoever is charged with the implementation of this Act or whose assistance is requested therefore shall keep secret from other authorities and private persons whatever he has learned in the exercise of his function and shall refuse access to the official files.

² No secrecy obligation exists:

- a. when assistance is requested pursuant to Art. 32(I) or when an obligation to denounce a punishable offense is discharged;
- b. in relation to the judicial or administrative authorities authorized on a general basis by the Federal Government or on a case-by-case basis by the Federal Finance Department to request information from the authorities charged with the implementation of this Act.

B. Procedure

I. Tax Collection

Article 34 Registration as Taxpayer; Self-Assessment

¹ Whoever bears a stamp tax obligation pursuant to this Act shall register with the Federal Tax Administration on his own initiative.

² On the due date of the tax (Art. 11, 20, 26) the taxpayer shall file on his own initiative the required statement with the Federal Tax Administration together with the supporting documentation and, at the same time, pay the tax.

³ The issuance tax on participation rights and contributions to the capital of cooperatives is assessed and collected by the Federal Tax Administration; the procedure is set forth in the Ordinance.

Article 35 Information to be Provided by the Taxpayer

¹ The taxpayer shall, to the best of his knowledge and in good conscience, inform the Federal Tax Administration of all facts that could have importance for determining the tax obligation or calculating the amount of the tax; in particular, he shall:

- a. file all statements, tax returns and questionnaires completely and exactly;
- b. keep his books of accounts carefully and, at the request of the authorities, produce them as well as the supporting documentation and other documents.

² A dispute over the tax obligation does not release a party from the duty to provide information.

³ If the duty to provide information is disputed, the Federal Tax Administration shall render a decision which may be challenged by means of a motion to reconsider and an administrative-law appeal (Art. 39 and 40).

Article 36 Information by Third Parties

¹ The persons participating in the establishment or capital increase of a corporation, company or cooperative (in particular banks, notaries public and fiduciaries) shall, upon request, to the best of their knowledge and in good conscience, inform the Federal Tax Administration of all facts that could have importance for determining the issuance tax obligation or for calculating the amount of the issuance tax.

² If the duty to provide information is disputed, Art. 35(3) is applicable.

Article 37 Audit

¹ The Federal Tax Administration supervises the performance of the obligations of the taxpayers to register, to file statements and to pay the tax.

² For the purpose of ascertaining the facts, the Federal Tax Administration may examine the taxpayer's books of accounts, the supporting documentation and other documents on the premises of the taxpayer.

³ Should it be determined that the taxpayer has failed to perform his obligations under this Act, he shall be given the opportunity to provide explanations for the ascertained omissions.

⁴ If the controversy cannot be settled the Federal Tax Administration shall render a decision.

⁵ The findings made during an audit as per paragraph 1 or 2 at a bank or a savings institution within the meaning of the Federal Act on Banks and Savings Banks of November 8, 1934, at the Swiss National Bank or at a central mortgage-bond institution may be used exclusively to implement the stamp taxes. The banking secrecy must be preserved.

II. Decisions of the Federal Tax Administration

Article 38

The Federal Tax Administration shall render all decisions necessary for the levy of the stamp taxes; in particular, it shall render a decision in particular if:

- a. the tax claim or the joint and several liability is disputed;
- b. in a given case, it is requested to rule provisionally on the tax obligation, the basis of calculation of the tax or the joint and several liability;
- c. the taxpayer, or another person jointly and severally liable with him, fails to pay the tax owed in accordance with the statement of account.

III. Motion to Reconsider

Article 39

¹ The decisions of the Federal Tax Administration may be challenged within 30 days after their notification by means of a motion to reconsider.

² The motion to reconsider shall be filed in writing with the Federal Tax Administration; it shall contain a specific request and present the facts relied upon.

³ If the motion to reconsider has been validly filed the Federal Tax Administration shall re-examine the decision without being bound by the requests made.

⁴ The procedure of motion to reconsider shall be pursued notwithstanding the withdrawal of the motion to reconsider whenever it appears that the decision challenged is contrary to law.

⁵ The decision on a motion to reconsider shall be justified and shall indicate the remedies against it.

Article 39a

[repealed]

Article 40

[repealed]

IV. Costs

Article 41

¹ As a general rule, the procedures of assessment and motion to reconsider are free of charge.

² Whoever, by his fault, causes costs of investigation to be incurred may be rendered liable therefore irrespective of the outcome of the procedure.

V. Debt Enforcement

Article 42 Debt Collection

¹ If, after a demand for payment, the debtor fails to pay the tax, interest and costs, collection proceedings shall be instituted; the filing of the claim in bankruptcy proceedings is reserved.

² If the tax claim has not yet been established by a final decision and if it is disputed, the entry in a bankruptcy schedule of claims shall not be made until there is a final decision on the tax.

Article 43 Surety

¹ The Federal Tax Administration may require that surety be put up for the taxes, interest and costs, even if they are not yet established by a final decision, if

- a. their recovery appears jeopardized;
- b. the debtor has no domicile in Switzerland or is preparing to abandon his Swiss domicile or to cancel his registration with the Register of Commerce;
- c. the debtor is in arrears of payment of the tax or had repeatedly been in arrears.

² The order to provide surety shall indicate the legal justification for surety, the amount to be guaranteed and the authority entitled to accept the surety. If the order to provide surety is based upon paragraph 1(a) or (b), it is deemed an attachment order within the meaning of Art. 274 of the Federal Debt Enforcement and Bankruptcy Act of April 11, 1889. The motion to reconsider the attachment order is excluded.

³ The Federal Tax Administration's orders to provide surety are subject to appeal with the Swiss Federal Administrative Court.

⁴ The appeal does not impede the execution of the decision.

C. Revision and Interpretation of Decisions

Article 44

¹ Art. 66 to 69 of the Federal Administrative Procedure Act of December 20, 1968 are applicable by analogy to the revision and interpretation of decisions of the Federal Tax Administration.

² [repealed]

CHAPTER SIX: PENALTIES

A. Violations

I. Tax Evasion

Article 45

¹ Whoever intentionally or negligently evades stamp taxes to the detriment of the Confederation for his own or a third party's benefit or whoever obtains for himself or a third party

an undue tax advantage in another manner shall be punished for tax evasion by a fine of up to 30,000 Francs or up to the treble amount of the tax evaded or the undue advantage obtained if such treble amount exceeds 30,000 Francs, unless the criminal provision of Art. 14 of the Federal Act on Administrative Penal Law of March 22, 1974 applies.

²⁻⁴ [repealed]

II. Jeopardy of the Levy of Tax

Article 46

¹ Whoever intentionally or negligently jeopardizes the levy of the stamp taxes in accordance with the law:

- a. by failing to register as a taxpayer, file returns and statements of account, provide information or produce books of accounts, registers and supporting documentation;
- b. by making inaccurate declarations or by hiding important facts in a return or a statement, in a request for exemption, in a claim for reimbursement or in a request for extension of the term for payment or for remission of the tax, or by producing inexact supporting documentation in support of important facts;
- c. by providing inaccurate information as a taxpayer or as a third party required to provide information;
- d. by violating the obligation of keeping and preserving the books of accounts, registers and supporting documentation;
- e. by rendering more difficult, hindering or making impossible the performance of an ordinary audit of the books of accounts or another official control; or
- f. by declaring, contrary to the truth, to be a securities dealer or by failing, after cancellation in the register of securities dealers, to revoke his declaration;

shall be punished by a fine of up to 20,000 Francs, unless one of the criminal provisions of Art. 14 to 16 of the Federal Act of Administrative Penal Law of March 22, 1974 applies.

² In the event of a violation within the meaning of paragraph I(e) the criminal prosecution under Art. 285 of the Swiss Criminal Code of December 21, 1937 is reserved.

III. Failure to Comply with Technical Provisions

Article 47

¹ Whoever fails to meet a condition upon which the granting of a special authorization was made dependent,

whoever violates a provision of this Act, of an implementing ordinance or of general instructions issued pursuant to such provisions or a specific order directed at him under the threat of the penalty contained in the present Article,

shall be punished by a fine of up to 5,000 Francs.

² A violation caused by negligence is also punishable.

IV. General Provisions

Article 48

[repealed]

Article 49

[repealed]

B. Relationship to the Federal Act on Administrative Penal Law

Article 50

¹ The Federal Act on Administrative Penal Law of March 22, 1974, is applicable; the Federal Tax Administration is the authority charged with prosecution and judgment under that Act.

² [repealed]

CHAPTER SEVEN: FINAL AND TRANSITORY PROVISIONS

I. Credit for Paid Issuance Taxes

Article 51

[repealed]

II. Modifications of the Federal Withholding Tax Act

Article 52

The Federal Withholding Tax Act of October 13, 1965, is changed as follows:

[not translated]

III. Repeal of Existing Law

Article 53

¹ Once this Act becomes effective, the following shall be repealed:

- a. the Federal Act on Stamp Taxes of October 4, 1917;
- b. the Federal Act on Remission and Extension of the Term for Payment of Stamp Taxes of February 15, 1921;
- c. the Federal Act Supplementing and Modifying the Federal Legislation on Stamp Taxes of June 24, 1937.

² The repealed provisions remain applicable, even after this Act's date of effectiveness, for claims that have arisen, facts that have occurred and legal transactions that have been concluded before that date.

IV. Implementation

Article 54

The Federal Government shall enact the provisions necessary for implementation.

V. Effective Date

Article 55

The Federal Government determines the effective date of this Act.

Stamp Tax Ordinance (FSTO)

of December 3, 1973

The Swiss Federal Government,

pursuant to Art. 22 (a) and 54
of the Federal Stamp Tax Act
of June 27, 1973 ("the Act"),

enacts:

1 GENERAL PROVISIONS

Article 1 Federal Tax Administration

¹ The Federal Tax Administration is competent to issue the general instructions and to render all individual decisions necessary for the levy of the stamp taxes; it determines the form and content of the forms for registration as a taxpayer as well as of the statements of account, tax returns, registers and questionnaires.

² It has standing to file an appeal with the Federal Supreme Court

Article 2 Accounting by the Taxpayer

¹ The taxpayer shall organize and keep his books so as to allow for reliable ascertainment and proof, without special effort, of the facts that have importance for determining the tax obligation and for calculating the amount of the tax. The securities dealers subject to the tax that pursuant to the Code of Obligations are not required to keep books of accounts shall maintain the register of transactions by applying by analogy the provisions of the Ordinance on Books of Accounts of April 24, 2002.

² If the books are kept and stored electronically or in a comparable manner all business events and figures relevant for the tax must be assured from the original supporting documentation to the annual financial statements and tax return.

³ The books must be kept in a careful and orderly manner and protected against harmful impacts. The Federal Tax Administration must be able to have access to, and to examine, them within an adequate time.

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Article 3 Information; Expert Opinions; Hearings

¹ The Federal Tax Administration may require information to be provided orally or in writing, it may have recourse to experts and may summon the taxpayer to a hearing.

² Whenever deemed appropriate, the information is recorded in minutes drafted in the presence of the person examined. The minutes shall be signed by the person examined and the examining official and, if applicable, by the clerk drafting them.

³ Prior to any hearing pursuant to paragraph 2, the person to be examined shall be admonished to tell the truth and warned about the consequences of false statements (Art. 46(1)(c) of the Act).

Article 4 Examination of Books

¹ The taxpayer is entitled, and, upon demand of the Federal Tax Administration, required to be present when his books of accounts are examined (Art. 37(2) of the Act) and to provide the necessary explanations.

² The Federal Tax Administration need not advise the taxpayer in advance that it will examine the books of accounts.

Article 5 Debt Enforcement

¹ The Federal Tax Administration is competent to institute collection proceedings on claims of the Confederation for stamp taxes, interest, costs and fines, to file such claims in bankruptcy proceedings, to take the steps to set aside the opposition entered by the debtor in collection proceedings and to take all other measures necessary for maintaining or collecting the claim.

² The competence of the Federal Finance Administration to maintain certificates of loss in safekeeping and to collect claims embodied in a certificate of loss is reserved.

Article 6 Constitution of Surety

¹ The surety required to be put up pursuant to Art. 43 of the Act shall be constituted by means of a pledge, a guarantee or guarantee insurance in accordance with the Ordinance on the Constitution of Surety in Favor of the Confederation of June 21, 1957.

² The surety constituted shall be released as soon as the taxes, interest and costs guaranteed are paid or the prerequisites of surety have ceased to exist.

³ [repealed]

Article 7 Cancellation of the Registration with the Register of Commerce

¹ The registration with the Register of Commerce of a corporation, a corporation with unlimited partners, a limited liability company or a cooperative may be cancelled only after

the Federal Tax Administration has advised the cantonal office of the Register of Commerce that the stamp taxes owed have been paid.

² Paragraph 1 is applicable to the cancellation of the registration of another enterprise in accordance with Art. 10 of the Ordinance on the Register of Commerce of June 7, 1937, if the Federal Tax Administration has advised the cantonal office of the Register of Commerce that the enterprise had become a taxpayer under the Act.

Article 8 Reimbursement of Taxes not Due

¹ If taxes and interest not assessed by a decision of the Federal Tax Administration are paid, they shall be reimbursed as soon as it is established that they were not due.

² If a tax not due has been passed on to a third party, it shall be reimbursed only if it is shown that such third party will actually benefit from the reimbursement.

³ If the claimant asserts facts giving rise to the levy of another federal tax, the reimbursement shall be limited to the amount in excess of that other tax even if the collection of that other tax should have become time-barred.

⁴ After five years from the end of the calendar year during which the payment was made, a claim for reimbursement may no longer be filed.

⁵ The provisions of the Act and the Ordinance on the levy of the tax are applicable by analogy; the claim shall be dismissed if the claimant fails to discharge his duty to provide information and if the claim for reimbursement cannot be decided without the information requested by the Federal Tax Administration.

2 ISSUANCE STAMP TAX

21 Taxation of Corporate Shares, Participation Certificates and Shares in Limited Liability Companies

Article 9 Creation or Increase of the Par Value of Participation Rights

¹ Whenever a Swiss corporation, corporation with unlimited partners or limited liability company files a request with the cantonal office of the Register of Commerce for registration of the creation of shares or participation certificates or of an increase in their par value, whether for consideration or gratuitously, the corporation or company shall on its own initiative pay the tax to the Federal Tax Administration within 30 days after registration in accordance with the statement filed on official form. For participation rights issued in connection with a conditioned increase of capital, the tax shall be paid within 30 days after the end of the quarter during which the participation rights were issued in accordance with the statement filed on official form.

² The statement shall have attached to it the publicly authenticated deed of creation or increase of capital, a signed copy of the by-laws or of the minutes of the general meeting

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having approved the amendment of the by-laws, the resolution of the board of directors on the authorized increase of capital, the prospectus of issuance and, in the event of contribution in kind, the relevant contract of contribution, the opening balance sheet and a declaration on official form concerning the fair market value of the assets contributed together with the certificate of audit of the auditors.

³ [repealed]

⁴ Every Swiss corporation, corporation with unlimited partners and limited liability company shall file on its own initiative with the Federal Tax Administration a copy of the annual report or a signed copy of its balance sheet and profit-and-loss statement within 30 days after approval thereof.

⁵ [repealed]

Article 10 Subsequent Contribution to Capital; Transfer of Ownership of Majority of Participation Rights

¹ Every Swiss corporation, corporation with unlimited partners or limited liability company

a. which receives from its shareholders contributions to capital within the meaning of Art. 5(2)(a) of the Act, or

b. for which the ownership of the majority of participation rights has been transferred under the conditions specified by Art. 5(2)(b) of the Act,

shall on its own initiative within 30 days after the contribution or change of ownership pay the tax to the Federal Tax Administration in accordance with the statement filed on official form.

² The statement shall have attached to it a signed copy of the resolutions and a declaration on official form concerning the fair market value of the assets contributed; in the event of transfer of ownership of the majority of the participation rights, the corporation or company shall in addition supply the balance sheet that constituted the basis for the transfer.

22 Tax on Profit Sharing Certificates of Corporations, Limited Partnerships with Shares and Limited Liability Companies

Article 11

¹ Every Swiss corporation, corporation with unlimited partners or limited liability company which decides that profit sharing certificates may be issued shall on its own initiative file a signed copy of the resolutions with the Federal Tax Administration.

² The tax shall be paid on the taxpayer's own initiative to the Federal Tax Administration in accordance with the statement filed on official form:

a. if the period of issue does not exceed one month: within 30 days after expiration of the period of issue;

b. if the period of issue exceeds one month: 30 days after the end of each quarter of the business year for profit sharing certificates issued during that quarter.

³ The statement shall have attached to it the resolutions regarding the issuance of profit sharing certificates and the prospectus of issue.

23 Tax on Shares and Profit Sharing Certificates of Cooperatives

Article 12

¹ Every Swiss cooperative the by-laws of which provide for contributions by the members or for the creation of capital by means of shares or profit sharing certificates shall on its own initiative register with the Federal Tax Administration and file a signed copy of the valid by-laws immediately after registration in the Register of Commerce or after insertion of such provision in the by-laws. The registration shall have attached to it a signed copy of the valid by-laws.

² The Federal Tax Administration shall require on a yearly basis those cooperatives that have by-laws providing for capital or for profit sharing certificates to report on official form all changes that have occurred during the preceding year with respect to the paid-in capital, the amount of profit sharing certificates and the contributions received within the meaning of Art. 5(2)(a) of the Act. The declaration shall have attached to it the annual report or the annual profit-and-loss statement, the resolution concerning the increase of the paid-in capital or amount of profit sharing certificates, the prospectus of issuance and, in the event of contributions in kind, the contract of contribution and a declaration on official form of the fair market value of the assets contributed.

³ The tax is determined by a taxation assessment of the Federal Tax Administration; the taxation assessment constitutes a decision within the meaning of Art. 38 of the Act.

⁴ The cooperative shall pay the tax within 30 days after notification of the taxation assessment.

24 ...

Article 13

[repealed]

Article 14

[repealed]

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Article 15

[repealed]

25 Exemption; Extension of Due Date and Remission of the Tax

Article 16 Exemption

¹ The request for exemption from the tax pursuant to Art. 6(1)(a),(c),(d), (f) and (g) of the Act shall be filed with the Federal Tax Administration. It shall set forth the justification of the request and the evidence; the documents relied upon as evidence shall be attached to the request.

² The Federal Tax Administration can require that the petitioner supply the information and the supporting documentation necessary to ascertain all facts which may be of importance for the exemption; if the petitioner fails to comply with this obligation, the request shall be dismissed.

Article 17 Extension of Term for Payment and Remission of the Tax

¹ The request for extension of the term for payment or for remission of the tax in an open or tacit financial restructuring (Art. 12 of the Act) shall be filed with the Federal Tax Administration. The request shall set forth the causes for the losses and the remedial measures taken and envisaged to be taken; the documents pertaining to the restructuring shall be attached, such as circulars, reports, minutes of general meetings as well as the annual reports or the profit-and-loss statements for the last years and a listing of the accounting entries of the restructuring. The losses incurred by the shareholders as well as their claims converted into participation rights shall be set forth on a special official form.

² The Federal Tax Administration can require that the petitioner supply the information and the supporting documentation necessary to ascertain all facts which may be of importance for the extension of the due date for payment or for the remission of the tax; if the petitioner fails to comply with this obligation, the request shall be dismissed.

³ The decision of the Federal Tax Administration following a motion to reconsider by the taxpayer pertaining to the extension of the term for payment or remission of the tax may be appealed against in accordance with the general provisions of the legislation on the federal judiciary

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26 Tax on Debentures and Documents Deemed to be Debentures

Article 17a General Rule

¹ The tax on debentures shall be paid for the whole term upon issuance or renewal of the security.

² If the debt incorporated in the debenture is discharged prematurely, the tax for the remaining entire years of the term shall be refunded only if a right of conversion granted upon issuance is exercised and the debenture is converted into new participation rights that are subject to the issuance tax pursuant to Art. 5(1)(a) of the Act.

³ The maximum term (Art. 9a(a) and (b) of the Act) is deemed the period from the payment until the day on which the debtor must discharge his obligation to the creditor at the latest. For securities without contractually stipulated term, the ten years following the day of issuance are deemed to be the maximum term; if the securities are not repaid within that period, a new maximum period starts for which the tax is owed anew.

Article 17b Procedure of Declaration and Collection

¹ The form of declaration of the tax shall have attached to it the documentation of the issue (prospectus, etc.) and is deemed the declaration of the issue.

² The tax on bonds and on securities assimilated with bonds shall be declared on official form and shall be paid within 30 days after the date of payment.

³ The tax on notes and on securities assimilated with notes shall be declared on official form and be paid as follows:

- a. in an approximate amount within 30 days after the end of the quarter of the business year for the securities issued during that period;
- b. in the accurately calculated amount within 30 days after the end of the last quarter of the business year for the securities issued during that business year, less the taxes paid for the first three quarters.

⁴ To avoid disproportionate complication, the Federal Tax Administration may grant or prescribe, in a given case, a payment procedure different from the one of paragraph 3.

⁵ The procedure for the serial issuance of money market papers and of book claims follows the one for the bond issue; for the continuous issuance of money market papers and book claims, the provisions on notes apply.

3 TRANSFER STAMP TAX

Article 18 Beginning of Taxpayer's Status

¹ The status as a taxpayer of the securities dealer begins upon the initiation of the commercial activity.

² For corporations, companies, cooperatives, institutions of occupational retirement, survivors' and disability pension plans and of blocked pension plans and the public bodies as per Art. 13(3)(d) and (f) of the Act the status of a taxpayer begins six months after the end of the business year during which the conditions set forth in that provision are met. The securities which can be shown to be administered on a merely fiduciary basis do not constitute assets within the meaning of that provision, provided that they are listed separately in the balance sheet to be filed with the Federal Tax Administration.

Article 19 Registration as a Taxpayer

¹ The securities dealer shall register with the Federal Tax Administration on his own initiative prior to the beginning of the status as a taxpayer (Art. 18).

² The declaration shall contain: the name (corporate name) and the registered office of the company as well as of all the Swiss branch offices meeting the conditions of the status of a taxpayer or, if a legal entity or a commercial partnership not enjoying legal personality with registered office abroad is at issue, the corporate name and the registered office of the main office and the addresses of the Swiss branch offices; the business year; the date of the beginning of the status as a taxpayer. The supporting documentation necessary for the examination of the status of a taxpayer (by-laws, balance sheets, resolutions to increase capital, etc.) shall be attached to the declaration.

³ Any changes with respect to the facts to be declared or documents to be filed pursuant to paragraph 2 that occur after the beginning of the status as a taxpayer, in particular the establishment of new branch offices, shall be declared on the taxpayer's own initiative to the Federal Tax Administration.

Article 20 Registration of the Securities Dealers

The Federal Tax Administration registers all securities dealers and notifies each of them of the identification number they were assigned.

Article 21 Register of Transactions

¹ The securities dealer shall maintain one register of transactions for its main office and one for each of its branch offices with taxpayer status. It may be exempted by the Federal Tax Administration from maintaining a special register if it organizes its books of accounts in such a way as to allow for the ascertainment and proof, without special effort, of the facts determinative for the tax assessment.

² The register shall contain the following columns in the sequence indicated below:

1. Date of conclusion of the transaction;
2. Kind of transaction;
3. Number or par value of the securities;
4. Designation of the securities;
5. Price of the securities, currency and rate of conversion for foreign currencies;
6. Name, domicile, country of residence and securities dealer identification number of purchaser and seller;
7. Consideration in Swiss Francs:
 - a. transactions subject to the tax:
 - aa. Swiss securities;
 - bb. foreign securities;
 - b. transactions not subject to the tax.

³ Each transaction shall be recorded in the register within three days after its conclusion or after receipt of the statement of account, unless it is exempt from the tax pursuant to Art. 14(1)(a), (b) or (d) through (g) of the Act. For control purposes the Federal Tax Administration must at its request be granted access to the data pertaining to transactions that need not to be registered.

⁴ Unless the transaction is a mere purchase or sale, the kind of transaction (e.g., firm underwriting, sub-participation, carry-over transaction, exchange) shall be listed under the column "kind of transaction". The country of residence shall be listed under the column "name, domicile, country of residence and securities dealer identification number of the seller and buyer" (at least the mention Switzerland/Liechtenstein or foreign); the domicile shall only be listed if no tax is owed.

⁵ To avoid disproportionate complications, the Federal Tax Administration may allow a listing that differs from the one designated by paragraph 2. The request by the taxpayer must be justified and include a sample listing.

⁶ The consideration for the transactions subject to the tax shall be added and carried over from page to page, or from day to day and to the end of every quarter of the year.

⁷ The pages of the register shall be numbered consecutively and shall be retained in stapled or bound form for a period of five years following the end of the calendar year during which the last entry was made. Electronic storage is possible if the prerequisites of Art 2 are met.

⁸ Securities dealers as per Art. 13(3)(b)(2) and (c) and (f) of the Act need not enter in the register the transactions with Swiss banks within the meaning of the Federal Act on Banks and Savings Banks of November 8, 1934, as well as the transactions with Swiss securities dealers as per Art. 13(3)(b)(1) of the Act, provided that they did not identify themselves as securities dealers upon conclusion of the transaction.

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Article 22 Recording of the Consideration

¹ The following may be recorded as consideration (Art. 16(1) of the Act):

- a. either the price of the securities transferred as per the statement of account, including the credit for currently accruing interest or for the coupons not yet detached;
- b. or the final amount of the statement of account.

² The kind of recording may only be modified at the beginning of a business year.

³ The consideration denominated in a foreign currency shall be converted and recorded in Swiss Francs (Art. 28 of the Act).

⁴ If Swiss and foreign securities are connected in such a way that they may not be transferred separately, the entire consideration shall be recorded under the column "Swiss securities".

Article 23 Accounting Among Securities Dealers

¹ The banks within the meaning of the Federal Act on Banks and Savings Banks of November 8, 1934, the Swiss National Bank and the central mortgage-bond institutions are deemed registered securities dealers without further justification.

² All other securities dealers shall verify to their counterparts that they are registered securities dealers by means of a declaration on official form (card). They shall number the cards remitted and record them on a special list (with name and address of the addressee, the date of remittance and consecutive number), which shall be kept at the disposal of the Federal Tax Administration.

³ The securities dealers as per Art. 13(3)(b)(2) and (c) and (f) of the Act may refrain from identifying themselves as securities dealers in their commercial relationships with Swiss banks and Swiss securities dealers as per Art. 13(3)(b)(1) of the Act (Art. 21(8)).

⁴ The taxpayer shall keep at the disposal of the Federal Tax Administration the cards remitted to him in the sequence of the identification numbers of the securities dealers.

⁵ [repealed]

Article 24 Tax Statement

¹ Within 30 days after the end of every quarter of the business year, the taxpayer shall, on his own initiative and in accordance with the statement filed on official form, pay the tax to the Federal Tax Administration for all transactions concluded or performed during that period (Art. 15(1) and (2) of the Act).

² To avoid disproportionate complications the Federal Tax Administration may grant or set a procedure of payment different from that specified in paragraph 1.

Article 25 End of Taxpayer's Status

¹ Whoever intends to discontinue his commercial activity or is of the opinion that he no longer qualifies as a securities dealer within the meaning of this Act shall immediately inform the Federal Tax Administration.

² The Federal Tax Administration shall decide, upon receipt of the information or on its own initiative, whether the status as a taxpayer is terminated and, if so, at what moment, and shall set the date at which the cancellation of the registration as a securities dealer becomes effective.

³ If a corporation, company, institution of occupational retirement, survivors' and disability pension plan and of blocked pension plan and a public body renders plausible that it will soon again meet the conditions set forth in Art. 13(3)(d) and (f) of the Act, it may, upon demand, remain registered voluntarily as a securities dealer for a period not exceeding two years.

⁴ The person concerned shall, as per the date of cancellation of the registration as a securities dealer, revoke on official form all declarations remitted and shall inform the Federal Tax Administration of such revocation and file with it the list provided for in Art. 23(2).

⁵ The final statement shall be filed with, and the taxes owed shall be paid to, the Federal Tax Administration within 30 days after the cancellation of the registration as a securities dealer.

Article 25a Commercial Portfolios of Commercial Traders

¹ The banks and the bank-like financial institutions in the sense of the Federal Act on Banks and Savings Banks of November 8, 1934 as well as the Swiss National Bank are securities dealers as per Art. 14(3) of the Act.

² Securities dealers as per Art. 13(3)(b)(1) of the Act can claim the exemption of commercial portfolios only upon having proved to the Federal Tax Administration that they are engaged commercially in the trade with taxable securities.

³ A commercial portfolio in the sense of Art. 14(3) of the Act consists of the entirety of the paid-in securities acquired by the commercial securities dealer in his own name with a view of reselling. The securities acquired by the Swiss National Bank in furtherance of its monetary policy are deemed to fall within the commercial portfolio of the Swiss National Bank.

⁴ The following taxable securities do not belong to the commercial portfolio:

- a. securities that, as per Art. 665 of the Code of Obligations, must be carried in the balance sheet at their price of acquisition;
- b. securities deemed to be permanent shareholdings within the meaning of Art. 23(1.12) of the Banking Ordinance of May 17, 1972;
- c. securities that are not freely and at any time tradable, in particular:
 1. because they are supplied as collateral or as a pledge, in particular for a loan;

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2. because they are held by the securities dealer for a third person's account;
 3. because they embody a commercial loan.
- d. securities that are firmly underwritten by the securities dealer upon their issuance.

⁵ The securities dealer shall pay for himself one-half of the transfer tax if he transfers:

- a. securities that were acquired without payment of the tax from the commercial portfolio to another portfolio,
- b. securities from another portfolio to the commercial portfolio.

4 TAX ON INSURANCE PREMIUMS

Article 26 Registration as a Taxpayer

¹ The insurers subject to supervision by the Confederation and the Swiss insurers enjoying public-law status shall register on their own initiative with the Federal Tax Administration before engaging in the insurance business. The insurers exclusively providing insurances the premiums of which are exempted from the tax (Art. 22 of the Act) need not register.

² The declaration shall contain: the name (corporate name) and the registered office of the enterprise and of all Swiss branch offices having taxpayer status (Art. 21 et seq. of the Act), the business year, the date of beginning of the commercial activity and the kinds of insurance provided.

³ Any changes in the facts to be declared pursuant to paragraph 2 occurring after beginning of the taxpayer status shall be declared on the taxpayer's own initiative to the Federal Tax Administration.

⁴ A Swiss insured person who concludes contracts with a foreign insurer not subject to the supervision by the Confederation whose premiums are subject to the tax shall register on his own initiative with the Federal Tax Administration upon conclusion of the contract. The declaration shall indicate the name and the address of the insured person, the kind of insurance, the foreign insurer and the due date of the premium.

Article 26a Redeemable Life Insurance

¹ Life insurances the insured event of which is certain are deemed redeemable life insurances within the meaning of Art. 22(a) of the Act. They include in particular mixed insurances, lifelong insurances and life insurances with bonus.

² If a redeemable life insurance and a non-redeemable life insurance are combined in a single contract, only the separately disclosed premium for the redeemable life insurance is taxable.

Article 26b Periodical Premium Payment

¹ Life insurances financed with essentially equal annual premiums spread over the whole term of the contract are deemed redeemable life insurances financed with periodical premiums within the meaning of Art. 22(a) of the Act. They include:

- a. life insurances with regularly increasing premiums;
- b. life insurances with indexed premiums;
- c. life insurances with agreed annual premiums for the first five years where the highest annual premium for this period is not in excess of the lowest by more than 20 percent;
- d. lifelong insurances with limited time of premium payment.

² There is no financing with periodical premiums within the meaning of Art. 22(a) of the Act:

- a. if the contract term is less than 5 years; or
- b. if, although financing with periodical premiums had been provided for in the contract, five annual premiums have not been paid during the first five years of the term of the contract, unless:
 1. the obligation to pay premiums has ceased on account of death or disability of the insured person, or
 2. the indemnity payment (surrender value including all surplus sharings) is lower than the total of premiums paid;

Article 27 Comprehensive Vehicle Insurance

¹ An insurance for any damage to, or theft of, a vehicle shall be deemed a comprehensive vehicle insurance within the meaning of Art. 22(k) and 24(1) of the Act.

² The premiums of comprehensive insurance of an aircraft is not subject to the tax pursuant to Art. 22(k) of the Act, provided that the take-off weight of the aircraft exceeds 5,700 kg.

Article 28 Tax Statement

¹ Within 30 days after the end of every quarter of the business year the insurer shall, on his own initiative and in accordance with the statement filed on official form, pay the tax on premiums collected during that quarter (Art. 23 of the Act) to the Federal Tax Administration. The statement shall list separately the amounts of the premiums for the various kinds of insurance. The allotment among the various kinds of insurance shall also be made for combined insurances if the component parts of the premium entail different tax rates.

² If several insurers provide jointly one insurance (co-insurance), each insurer shall pay the tax pursuant to paragraph 1 for the part of the premium that concerns him. If the parties to a co-insurance agreement are all insurers subject to Swiss federal insurance supervision or Swiss insurers of public law, the tax shall be paid by the lead insurer.

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³ Within 30 days after the end of every quarter, the Swiss insured with taxpayer status (Art. 25 second sentence of the Act) shall remit the tax on his own initiative together with the official form to the Federal Tax Administration for the premiums paid during that period.

⁴ To avoid disproportionate complications, the Federal Tax Administration may grant or set a procedure of payment different from that of paragraphs 1 and 3.

5 TRANSITORY PROVISIONS

Article 29

[repealed]

Article 30

[repealed]

Article 30a Life Insurances

The tax claim on the premiums of redeemable life insurance will be levied on insurances with an inception of insurance cover after March 31, 1998.

6 FINAL PROVISIONS

Article 31 Repeal of Existing Law

Repealed are the following:

on July 1, 1974:

- the Implementing Ordinance of June 7, 1928, to the Federal Legislation on Stamp Taxes, except Art. 75 to 83;
- the Implementing Ordinance of October 1, 1937 to the Federal Statute Supplementing and Modifying the Federal Legislation on Stamp Taxes of June 24, 1937;

on January 1, 1975:

- Art. 75 to 83 of the Implementing Ordinance of June 7, 1928 to the Federal Legislation on Stamp Taxes.

Article 32 Effective Date

This ordinance becomes effective:

on July 1, 1974: Art. 1 through 25 and 29 through 31;

on January 1, 1975: Art. 26 through 28.

Transitory Provisions

[to changes of Ordinance, effective April 1, 1993]

¹ The declaration as securities dealers remitted before the effective date of this change shall be invalid as of April 1, 1993.

² Besides the banks and central mortgage-bond institutions mentioned in Art. 23(1), the securities dealers may only consider those counterparties as securities dealers who proved that they are taxpayers as per change of October 4, 1991 of the Federal Stamp Act.

³ For the corporations, companies and cooperatives mentioned in Art. 13(3)(d) of the Act, the beginning of the taxpayer status starts on April 1, 1993, provided that their last balance sheet, established on or before September 30, 1992, lists taxable securities in excess of 10 million Francs.

Ordinance

on the Late Payment Interest Charge on Stamp Taxes

of November 29, 1996

The Federal Finance Department,

based on Article 29

of the Federal Stamp Tax Statute

of June 27, 1973,

enacts:

Article 1

¹ The late payment interest owed in accordance with Article 29 of the Act in the event of overdue payment of the tax is set at 5 percent per annum as from January 1, 1997.

² The late payment interest charge owed on amounts of taxes due before January 1, 1997, but paid after that date shall be calculated at the rate of 6 percent until December 31, 1996.

Article 2

¹ The ordinance on the late payment interest charge on stamp taxes of April 30, 1990, is repealed.

² The present ordinance shall be effective as from January 1, 1997.

