

Tax Guides

Financial Services

Tax



Greater tax transparency and compliance is now causing Swiss financial institutions to focus their attention on the tax status of their clients more than ever before. Understanding a client's tax position is important (in particular, knowing which products and services are attractive/unattractive from a tax perspective), but this can often be difficult in a cross-border context. Our Tax Guides offer a solution to this issue.

If you were faced with the following questions from a client, would you be able to answer them confidently?

- "Is it preferable for me, on an after-tax basis, to invest in Exchange Traded Funds or Structured Products if they both track the performance of the same underlying indexes? I am tax resident in Spain."
- "I am resident in Italy, and I wish to make an investment in bonds. Is there any difference in the after-tax return I can expect to achieve between investing in (i) Italian government bonds, (ii) foreign sovereign bonds, or (iii) Italian corporate bonds?"
- "Since I am resident in Argentina, I need to file a "Sworn return" of foreign income and assets every year. Are you familiar with this return, and will you be able to provide me with all the information that I need, in sufficient time, so that I can meet the filing deadline?"

These are a few examples of the knowledge that all bankers and wealth managers should possess in order to be able to advise their clients in a professional manner. If you do not feel that your organisation is sufficiently equipped to answer these questions with confidence, or that your team fully understands the tax implications of the products and services offered to clients, then our Tax Guides will be of value to you.

What content do the Tax Guides cover?

Each Tax Guide covers, in detail, the specific tax treatment of the following bankable assets held in an account at a Swiss financial institution:

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|-----------|------------------------|
| 1. Shares | 4. Derivatives |
| 2. Bonds | 5. Structured products |
| 3. Funds | 6. Precious metals |

Each Tax Guide also provides an overview of the country's tax system, focusing on the following key aspects:

- the different types of taxpayer,
- the difference in tax treatment (if any) between income and capital gains,
- the other taxes levied (wealth tax, inheritance tax, stamp tax, VAT, WHT etc.), and
- the tax return filing process and deadlines.

Which countries are currently covered?

KPMG has prepared Tax Guides to cover clients of a Swiss financial institution who are resident in the following countries:

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|--------------|---------------------|
| 1. Argentina | 10. Mexico |
| 2. Australia | 11. The Netherlands |
| 3. Belgium | 12. Poland |
| 4. Brazil | 13. South Africa |
| 5. Chile | 14. Spain |
| 6. France | 15. Sweden |
| 7. Germany | 16. Switzerland |
| 8. Israel | 17. United Kingdom |
| 9. Italy | |

It is possible to produce new Tax Guides covering additional jurisdictions, upon request. This process usually takes between 4 – 6 weeks.

Quick reference summary

Our Tax Guides come with quick reference summaries which draw your attention to the key “Do’s and Don’ts” for each country. The summaries highlight the key points you need to keep in mind from a tax point of view when providing banking services to foreign clients.

What makes the KPMG Tax Guides different?

The gathering of specific, product focused tax information is challenging and time-consuming, and it is very rare to find reliable, publicly available information on the tax treatment of bankable assets and services.

The KPMG Tax Guides have a specific focus on the taxation treatment of the financial products offered to foreign clients. This sets us apart from the competition.

The overview sections of the Tax Guides provide you with the background information and the context you need to understand your client’s position. The product specific sections then provide useful data and examples to enable you to fully evaluate and quantify the potential tax advantages, or disadvantages, of the different products you can offer to your clients.

What’s new for 2017?

The 2016 versions saw an update to reflect the key current market trends, which was well-received by Tax Guide users. Next to the positive feedback, there was the request to make the guides even more concise and structure the summary differently; we have taken this on board for the 2017 Tax Guides, opting for a table format for most of the guides and giving more specific guidance on the individual products on the summary page.

“We have found the Tax Guides to be a useful tool [...] we like the new look and content, which is also preferred by our RMs.”

Annual updates

The Tax Guides are updated on an annual basis to take into account changes in applicable legislation, guidance and practice, as well as the feedback received from our clients.

Why are the Tax Guides important?

By actively using our Tax Guides, every financial institution will be able to enhance the quality of their client service and optimise the after-tax returns that their clients achieve.

The Tax Guides could also help you reduce the potential risks of litigation related to selling inappropriate financial instruments to clients, from a tax perspective.

Finally, using our Tax Guides enables financial institutions to demonstrate to the tax authorities that they take their duty of care in tax matters seriously.

“They are very well done, user-friendly and contain all the relevant information in a digestible format [...]”

How easy are the Tax Guides to use?

All the Tax Guides are presented and structured in the same easy-to-read format; following our users’ wishes, the 2017 versions are much more compact while still retaining the necessary level of detail to be a valuable tool for your daily business. This enables users, even those without any tax knowledge, to easily understand the tax system of the country concerned and the applicable tax treatment of the main financial products.

We appreciate that bankers and wealth managers are not tax experts. Therefore, tax technical jargon is kept to an absolute minimum, and easy-to-follow examples are included throughout to put the treatment into context.

Tax Guide Seminars

KPMG Financial Services Tax is also happy to provide training to financial institutions, in the form of seminars, to meet your specific needs. Our seminars are presented by the same experts that produce the Guides, who are based in Switzerland, enabling us to guarantee that each seminar is conducted with a consistent, practical approach, providing the insight that you desire.

Pricing

Our pricing structure is competitive and will be tailored to your specific needs. Please contact us separately and we will be happy to discuss your requirements.

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